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The Financial Statement

Address Before State Conferences at Los Angeles

By Eugene S. Elkus

Elkus Co., San Francisco, Cal.

IN requesting a financial statement, in addition to laying stress on the customer's own personality, reputation and prestige, we should point out that modern business methods demand something concrete as to actual financial condition as a basis for credit extension.

The customer must be further impressed with the fact that by the request for the various details of his business in the signed statement, the prospective creditor intends to analyze and weigh carefully the statement as a basis for the credit desired; again that the extension of credit is a serious matter carrying with it a grave responsibility to the maker of the statement. To the receiver of the statement, it means a definite starting basis for a scientific analysis of the account and consequently an important preliminary in the extension of credit.

ANALYSIS OF A STATEMENT

Net worth of the maker of the statement is to be determined. The first important step is to determine the real liquid assets. By liquid assets I mean cash or such items as can be quickly turned into cash such as merchandise, standard securities listed on stock exchange, also book accounts of known real value. While the book accounts of a wholesale house are usually liquid, subject to a depreciation based on previous years' experience, a retailer's book accounts are generally uncertain in case of trouble and should not usually be considered as liquid. In retail stores of the larger cities, espe-

Contingent Liabilities

SUPPLEMENTING his analysis of the financial statement, Mr. Elkus feels that too little attention is given to contingent liabilities. He catalogues them interestingly as follows:

1. Those of a financial nature, such as are usually incurred in the sale, transfer, endorsement, or guarantee of negotiable instruments or other financial obligations. Contingent liabilities of this nature arise as a result of:

Discount sale, or transfer of notes receivable, trade acceptances, bank acceptances, arising under commercial letters of credit, domestic and foreign drafts.

Endorsement of notes for affiliated or subsidiary concerns.

Endorsements of commercial paper as accommodation party.

Selling, pledging, or assigning of accounts receivable where the transfer attaches a contingent liability to the seller, pledger or assignor.

The opening and guaranteeing of letters of credit.

Guaranteeing of payment of interest on principal of bonds of another party.

Accepting suretyships, including those guaranteed for others.

Contracts for purchase of foreign exchange for future delivery.

Liability for unpaid stock subscriptions.

Advances against accounts or bills receivable.

Taking up leases.

2. Liabilities incurred as result of agreements on contracts concerning the purchase or sale of merchandise or services. This subclassification includes liabilities arising as a result of:

Guarantees of satisfactory performance of services or of quality of merchandise.

Contracts for future delivery of merchandise or plant constructions, etc.

Guaranteed merchandise orders not subject to cancellation (including those guaranteed for affiliated or subsidiary concerns).

Provisions for returned merchandise, rebates, trade discounts, etc.

Provisions for allowance for returned containers, etc.

3. Responsibilities incurred in various ways other than by express agreement or contract, such as those arising as result of:

Pending law suits.

Possibility of litigation, such as alleged infringement of patents, etc.

Pending judgments where suit has been taken on appeal to a higher court.

—THE EDITOR.

cially where credit men are employed, the book accounts may be valued as a liquid asset in the same manner as the book accounts of a wholesale house. Deducting the liabilities shown from the liquid assets you will have *somewhere around the real net worth*, generally in simple statements the actual net worth.

ASSETS

Under the heading of assets cash on hand and in bank, also value of securities can be easily verified. We will, however, consider the following:—

Merchandise. How was its worth determined? Was it at cost? Was stock taken at actual market value; or was it taken at selling price, which strange as it may seem is done at times. It is hardly necessary to mention that the proper way to take inventory is to price items at cost or actual market value whichever is the lower. Many large retail institutions to-day take their stock at selling price less a percentage representing their gross profit by previous years' experience which is their method of finding market value. In considering the value of the stock as shown on the statement even if taken at actual market value it is well to consider if there is any special hazard on that particular kind of merchandise. Also it is well to consider whether the price trend is about stationary, upward, or downward. While there may be many commodities which have reached around pre-war prices there is also a large number of items of commerce which are still from 50

to over 100 per cent. higher than prior to the war and at any time a downward revision may take place.

Book Accounts. What is the value of the book accounts? How old are many of them? Are there one or two accounts on the retailer's ledger representing the bulk of the money owed, which he has not properly charged off to P. & L. due to size and the feeling that "while there's life there's hope" of collecting. It is well to know whether a corporation has sold its stock to individuals and taken as payment or partial payment notes of the buyers, which notes are included in the assets while there is no certain financial value to them.

Fixtures, machinery and other similar uncertain incidentals should not as a rule, be dealt with as a liquid asset, although there are exceptions.

Real estate under favorable conditions may be conservatively taken as a liquid asset in a statement, but in many cases it is a liability and as such should be dealt with under liabilities.

Good will should not ordinarily be considered as a liquid asset.

LIABILITIES

Under this heading attention is called to a remark previously made that—after deducting the liabilities shown from the liquid assets we would have somewhere around the real net worth. I used the words "somewhere around the real net worth" advisedly because in addition to the liabilities shown there are possibilities of there being a number of other liabilities that do not appear as such on the financial statement; and in some cases the items under the heading of assets may be seriously affected.

For instance a firm may omit from its statement the personal indebtedness of its *individual* members which may be large and a danger to the solvency of the business. It may omit the contingent liabilities of either the concern or of its individual members such as indorsements for others on commercial paper as an accommodation,—guaranteeing the payment of interest or principal of the bonds of another party; liability of unpaid stock subscriptions; discount sale, or transfer of notes receivable, trade acceptances, bank acceptances, arising under commercial letters of credit domestic and foreign drafts; endorsement of notes for affiliated or subsidiary concerns; selling, pledging, or assigning of accounts receivable where the transfer attaches a con-

tingent liability to the seller, pledger or assignor; orders placed for merchandise not subject to cancellation; pending lawsuits or pending judgments on appeal to a higher court; ownership of stock in outside enterprises which are not convertible into money and on which there may be assessments. It is advisable to know in many cases if the books of the concern have been checked up by the United States government and if so whether they are O. K. or whether the government claims there is an amount still due. Other contingent liabilities could be named. It is a good maxim that "liabilities are rarely less than shown, but often more."

In scanning the items set up as assets you will often find on investigation that among them are items that are really liabilities as far as the creditors are concerned. Particularly is this so on statements of country stores.

For instance a retailer may list his store property as an asset subject to mortgage. It may be over-valued, the mortgage being for its full value or nearly so. The merchant may be paying the mortgage off on the monthly installment plan, the interest alone being a good rental, and the monthly payments on principal are being withdrawn *additionally* from the business, decreasing the capital invested, although in many cases the financial condition of the business, will not permit of the withdrawal of money for that purpose. Furthermore the ownership of the store property prevents the merchant from moving to a place where the location may be much better which of itself is a serious liability. He may own unimproved property, undesirable and unsalable on which there is a mortgage. Here he is again drawing money from the business to pay interest and taxes. He may list a piece of residence property as an asset. If so we should simply forget it, for if we do not, the Homestead Law of California which permits exemption of residence property to the amount of \$5000 will make us forget it.

Again a manufacturing concern may list its factory building as an asset when it is actually a liability. To illustrate: the location of the plant is in a locality which has become undesirable for factory purposes. The property may accordingly be unsalable or a great loss will ensue by its sale. The firm continues manufacturing at this spot although it should move to another location where it could produce its wares more advantageously. In other

words if the concern did not own its own property, the plant could be moved to a location where labor, transportation or other manufacturing facilities might be much more favorable, wherein cost of production could be cut down or production increased or both.

SALES

The amount of sales of a business both cash and credit shown separately is also a very important item of information. It should be considered in its relation to the following:—

The comparison of annual sales with the value of the stock of merchandise will ordinarily indicate the moving activity of the merchandise, in other words the "turn-over." In figuring the "turn-over" a mistake is frequently made in its calculation. To illustrate—a business of \$400,000 per annum was done by a firm whose average stock of merchandise at *cost value* was \$100,000; it is figured that there was a turn over of the stock four times in that year. This, of course, is incorrect. Assuming that the gross profit on the sales was 40 per cent., the \$400,000 worth of sales would represent the sale of goods *the cost value of which was* \$240,000. We see that the stock of \$100,000 worth of merchandise at *cost value* was, therefore, really turned over two and four-tenth times. If a stock of merchandise at *cost value* is \$60,000 and the year's sales are \$400,000 and the profit is 40 per cent. on the selling price we would then have an exact turn over of stock four times in the year.

It is worth noting that sometimes the amount of stock in comparison with sales will not appear too large. Yet in a store where there is a number of departments and where the business is not properly run the store may be heavily overloaded with unsalable merchandise in one department while other departments may be short of goods.

The comparison of annual sales with liabilities will show the likelihood of the business being able to take care of its indebtedness safely and promptly. In some cases it may be necessary also to know the monthly sales with cash receipts.

The comparison of annual sales with the total value of the book accounts and a knowledge of about what percent of the business is done on credit will give you a good idea of the Book Account Turn Over and about the average time given to credit customers.

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will enable you to find the *percentage* cost of doing every dollar's worth of business and the credit man with his experience will know whether the business can stand it and continue successfully.

MORAL RISK AND THE FINANCIAL STATEMENT

This to the credit man is the greatest single factor in the extension of credit.

Without full confidence in a merchant's integrity and high sense of honor, the account must always be handled with great caution. Where the moral risk is poor, the credit limit should be revised from time to time based upon supplementary financial statements and in the absence of these, new trade information should be gathered to be considered in conjunction with your older information. If one is not careful in the checking up of an account of this character each time before approving additional orders of any moment, one will find that the account will owe more than it ever has when the "blow up" takes place.

When an honorable concern is embarrassed it will try to keep going; and if that is impossible, it will then aid creditors to liquidate the business to best advantage; whereas the merchant lacking in the proper sense of honor will try to turn the prospective failure into a quick method of getting his first and a good part of the creditors'.

If one looks over the really bad failures we will find the majority are crooked. Therefore, it is necessary that on the financial statement or in conjunction with it one obtain the history of the merchant for many years back. He can couple with this the general reputation and then have a good idea of the moral risk. Credit men's reporting bureaus and commercial agencies will aid materially in this regard.

ADDITIONAL ITEMS TO BE CONSIDERED

In analyzing the statement these further points should be considered:

- (a) The future outlook for success of the business considering in addition to finances,—management, location, and conditions local and general.
- (b) Are the details given in the statement estimated or taken from the Books of Account and Inventory?
- (c) The financial statement must give the exact date, that the balance sheet was taken as indicating the giver's financial condition.
- (d) Age of statement. In a rapidly dropping market such as we have recently experienced great financial changes may have taken place since the statement was given.
- (e) Location of business must be plainly understood.
- (f) Proper and sufficient insurance of

1896 and 1922

By a Convention Delegate

AS a reader of the CREDIT MONTHLY I know that the National Association of Credit Men is more interested in the present and the future than in the past.



Pres. W. B. CROSS, 1921-1922.

But as I am making my plans to go to the 27th National Convention I have entertained myself for a half an hour by looking over a few figures in the World Almanac, editions of 1896 and 1922, to get a picture of Uncle Sam's commerce at the time our great Association was founded, as compared with the present day. Hurrying past a number of beer and liquor advertisements in the old Almanac, and noticing against my will that twelve bottles of gin could be purchased for four dollars, I come to the statistics on crops. I find the figures on two representative staples, barley and potatoes, and compare them with the figures published this year. They show an increase from \$29,312,000 to \$142,931,000 and from \$78,985,000 to \$500,974,000 respectively, in twenty-five years. Bank earnings have risen from \$48,-

566,791 to \$282,083,000 from 1896 to 1920, and the number of banks has grown from 3698 to 8154. The average daily clearings in the New York City banks alone have risen from \$96,232,442.24 to \$673,539,073.84.

In 1896 the number of pleasure automobiles was negligible, and rose



Pres. Wm. H. PRESTON, 1896-1897.

only to 3700 in 1899; two years ago the annual output was 1,883,158. In the same year 322,093 auto trucks were produced whereas even eight years after our Association started only 400 trucks were manufactured. At the time of the election of the first president of our Association, William H. Preston, of Sioux City, Iowa, William McKinley was President of the United States and the population of the country was under sixty-two millions. Today it is estimated at one hundred and six million. At the end of our first Association year our numerical strength was 1519, as against a present enrollment of more than 32,000, which shows that the National Association of Credit Men has kept abreast of the phenomenal commercial development of the United States in the past quarter century.

stock of merchandise; also does the merchant who hires help carry compensation insurance?

(g) On the financial statement it should be stated that in case of a change of any character, that would in any way affect the assets or liabilities of the concern, that the creditor must be notified.

(h) It would be well to put on the financial statement form under the heading of liabilities, a sub-heading "Amounts Owed to Relatives," mentioning them.

(i) In the book *Analytical Credits* it is suggested to preserve as evidence the envelope carrying the financial statement through the mail, thereby being in position to call in the Department of Justice of the United States government for prosecuting in case of fraud. The use of the financial statement form of the National Association

of Credit Men eliminates the necessity of an envelope and one has the evidence of post-mark and cancelled stamp on the statement carrying out the thought suggested.

(j) The yearly statement generally requested by banks gives them a splendid opportunity for the comparative condition of a business from year to year. It should be a general practice among retailers to furnish wholesalers with an annual statement of their financial condition.

Concerns selling commodities on extremely small profits will handle their credits differently from institutions selling goods where the profit ratio is much greater. The length of terms and the turn over of the account also have a bearing.

(Continued on page 43)

The Year's Work Reviewed

Report on National Association of Credit Men

By President W. B. Cross

F. A. Patrick Co., Duluth, Minn.

IF MY preference could have been consulted, I should have chosen for my year as the presiding officer of the National Association of Credit Men one presenting fewer difficult problems than have come up in this troublous readjustment period. However, the honor conferred upon me in San Francisco last year was warmly appreciated. I have taken pleasure in the thought that I had your confidence and that I could have the wonderful opportunity given me to carry forward with all my powers the policies and traditions of our beloved organization.

The year we have been passing through was one of great significance in our affairs internal and international. Great events throughout the world have taken place, events meaning much to credit men, events that have struck deep into the economic life of America and the world at large.

It is not at all surprising that although our organization was created from pressing needs in domestic credits we have recognized gradually the relation of these needs to other lands and that our vision has expanded with the nation's growth in world responsibilities. We now recognize that economic instability is primarily due to the misconception and misuse of credits; that the steady, substantial, safe expansion possible under normal conditions cannot be expected when immense waste attending the defense of world liberties is going on, bringing an inflation of credits and a strain and danger from which none can escape.

It has seemed strange that with the cessation of hostilities and the need of spending large sums in offensive and defensive warfare there should not have come to the people of the world the recognition that the time had come for economies if we were to restore the wealth that had been wasted. Indulgence in extravagances is always in bad taste. But with national debts piled up till they have reached the appalling sum of four hundred billion or nearly double the sum of the debts of the nations when the Armistice was signed, we must see how terribly dangerous extravagant indulgences have become. One

cannot contemplate this enormous figure without recognizing that credit was seriously abused and its fundamental laws basely violated after the War, when the excuse had largely disappeared.

The restoration of economic stability throughout the world is its most vital necessity just now, and in this process our own nation must lend its heartiest efforts and its generous resources. The National Association of Credit Men has been watching this situation with deep interest, and recognizes that to restore economic health to the world means to bow to credit laws with a clear understanding that only through the proper uses of credit can society function and trade flow smoothly.

LIQUIDATIONS WERE NECESSARY

In our internal affairs we have been confronted with a situation truly anomalous. At a period when our riches are greatest we are in the midst of depressed business and are finding it difficult to emerge from this depression. But we now recognize that liquidations, large in number and amount, were necessary in order to clarify the atmosphere. These liquidations have been severe and have eaten deep into profits and resources, but they were necessary to rid us of many enterprises that had no real right to live.

Getting back to normal through the liquidating process would have been much severer had it not been that the Federal Reserve System exerted its powers for an orderly liquidation and the prevention of a panic which under other conditions would inevitably have occurred.

We have tried earnestly to have our members and all business enterprises appreciate the value and utility of co-operation through this difficult period. We have seen co-operation doing its remarkable saving work these two years. But for it the liquidations and the cost of restoring stability would have been terribly serious.

We have kept our fingers upon the pulse of the Nation. We have followed the tribulations of the agriculturist who also fell under the spell of extravagance in the hectic years following the War and was appalled when decline in prices for

farmstuffs left him helpless. We have endeavored to show the need of economy in all lines of endeavor and are glad to learn that the crops of 1922 will be raised at a much lower cost than have the crops of former years, that economy in production will give relief to our agricultural sections and restore to them the buying power which they have lost so completely.

We have endeavored to do our part in keeping men steady while going through a period when it was easy to lose one's head and become panic stricken. We have endeavored to show that conditions were merely the natural result of men's carelessness regarding economic law and the fact that we had built up a flimsy structure of inflation. We have ever been on the alert to render service, to get men to appreciate the value of deep study into the laws of business, the value of good system, of sane practices and of sanity in their relations to one another and in their appraisal of conditions. It is not overreaching the mark to say with emphasis that the National Association of Credit Men has played a very prominent part in helping the Nation to solve its economic problems. After all, credit in a very important sense is at the base of nearly all business problems. We have not hesitated to speak our mind freely and fearlessly when conditions warranted it. We have felt it unwise to "soft-pedal" when our views should be vocal and I am personally confident that our attitude, our expressions and our activities have been stimulating and helpful.

ATTITUDE OF THE ASSOCIATION

It is not possible within the scope of a brief report to touch upon every phase of our work. You doubtless have watched the trend of events, have recognized the steadfastness of the Association and have felt genuine pride in its courageous and constructive attitude. I have found it a genuine pleasure to co-operate with the National office through its respective departments, and particularly, of course, with Secretary Tregoe. I have learned personally with how great conscientiousness this office operates and how it has deservedly won

(Continued on page 17)

Bankruptcy Law Administration

Address at California Conference of Credit Men

By William H. Moore, Jr.

Los Angeles Board of Trade

IN any discussion of the practical workings of the National Bankruptcy Law it must first be pointed out that the law itself contains no comprehensive plan of dealing with practical questions, nor does it touch upon any of the many problems of administration relating to preservation and liquidation of property.

These problems of administration are exactly the same as those that confront any executive or manager of a going business and are as diversified as business itself.

The Supreme Court of the United States was given authority in the bankruptcy statute to lay down certain rules of practice; but these rules, which are known as the General Orders in Bankruptcy, are rules governing procedure and the conduct of proceedings, rather than directions for the guidance of the creditors and of court officers in determining questions of policy relating to the practical affairs of any given estate. For example: The statute gives the courts jurisdiction under certain circumstances to appoint a receiver pending the election of a permanent trustee. But the statute is entirely silent as to the powers and duties of such receivers when appointed. These are matters left to the determination of the creditors themselves, except so far as technical questions of law are concerned. Before applying for the appointment of a receiver, creditors will determine the necessity for any line of action desired and upon proper showing the court will authorize it.

The statute defines the duties of trustees in general terms—requiring, for instance, the preparation of an inventory of assets, but it does not specify the manner in which an inventory shall be prepared, or whether it shall carry any valuations, and this question of inventory is one of the first practical matters, indeed, a practical problem, which is involved in every bankruptcy administration.

Too much importance cannot be attached to the inventories used in the bankruptcy courts. To the average layman an inventory is merely a list of assets, easy to compile; but to the credit man an inventory is not only a list of assets but something

more. To the credit man an inventory expresses values upon which many practical questions will be determined—such as:

1. The acceptance or rejection of a composition settlement;
2. The determination of shortages in a bankrupt's assets on which criminal proceedings may be predicated; and
3. Most important—the prospect of dividends.

To the credit man an inventory is a definite and necessary step in ascertaining the true financial status of a customer. But consider some of the practical considerations involved in the preparations of inventories in bankruptcy estates.

The first problem presenting itself in regard to an inventory of merchandise is whether it shall be based upon the bankrupt's original cost or upon the wholesale market value as of the date the inventory is made. Much can be said for either method as a basis. When the inventory is taken at the original cost, regardless of present market, it is invaluable in accounting work and in audits which are so often necessary in court proceedings. The bankrupt cannot then hide behind the excuse that his losses are made up entirely of depreciation caused by market conditions, or written off by his receiver or trustee.

On the other hand, an inventory based on original cost, especially on a falling market, may deceive the creditors as to values and as to the probable amount of dividends to be expected, and will show at the sale of the property a far less percentage valuation realized. Such an inventory may deceive a purchaser of a stock of merchandise if he has not carefully analyzed it.

The second consideration presenting itself to a receiver or trustee in bankruptcy in the preparation of an inventory is whether to ignore the nature of the business conducted by the bankrupt. Should the stock in trade of a wholesaler who has become bankrupt be prepared on his cost or on his selling price? It must be remembered that the usual methods of accounting such as maintained and required by this wholesaler in the ordinary conduct of his business no longer apply.

If the wholesaler's cost is used, I venture the assertion that the mer-

chandise will realize less at the subsequent sale than if taken at his selling price to the retailer, for the reason that such a stock is invariably absorbed by the retailers.

Furthermore, a receiver or trustee of an estate may rely on an inventory made by his own agents or adjusters and govern thereby his plan of sale, only to find that the inventory is misleading as to values. With a different inventory base he would have proceeded differently and with a probable saving in expense.

PREPARING THE INVENTORY

It is not necessary to say, of course, that the integrity of an inventory is absolutely vital to a proper administration of an estate. The creditors themselves can be of great assistance in suggesting not only the method of preparing inventories in any given case, but by reason of their closer contact with prices and market conditions, can be of inestimable assistance in the actual preparation of inventories by furnishing price clerks, or in verifying descriptions and prices. In only one case in the last fifteen years do I recall a creditor, *unsolicited*, sending a man to assist a court officer in the preparation of an inventory. Had a creditor so volunteered assistance in a certain cannery failure that came under my notice some years ago, it would have been ascertained much sooner than an inventory showing as an only asset a ton of tomato seed at \$3.00 per pound, the prevailing market price—or a valuation of \$6,000—was of no consequence. That ton of seed was offered to every seed dealer in California. It stood the germination tests and was considered good seed, yet no one would touch it at any price. Finally, it went to the dump after incurring warehouse charges for a year or more.

The point is that a \$6,000 asset was carried for nearly a year by the trustee of that estate in all estimates of assets and liabilities given to creditors. Had any seed house creditor taken that inventory, the valuation given would have been little or nothing, by reason entirely of no guaranty by the court being possible, and such guaranty being indispensable



IT has been said that Booth Tarkington "is an Indianian first of all." He was born in Indianapolis; he served a term in the State Legislature; his first book was "The Gentleman from Indiana"; Indianapolis is his home. Moreover, besides producing such books as that classic romance "Monsieur Beaucaire," those masterpieces of boyhood portraiture the Penrod stories, and latest of all "Alice Adams," which has just been awarded the Pulitzer prize as the best novel of 1921 and "Gentle Julia," he has written, with his friend Harry Leon Wilson, "The Gibson Upright." This play is as effective a lesson in the economics of business management as was ever printed.—For these reasons it is especially appropriate that Mr. Tarkington should welcome the convening credit men to Indianapolis.

A Welcome by Booth Tarkington (TELEGRAM)

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PARK ROW NEW YORK NY NO ASSOCIATION
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BOOTH TARKINGTON.

to a sale. When the estate was finally closed without a dividend payment, the creditors were doubtless shocked and they doubtless blamed the bankruptcy law for a complete loss.

The bankruptcy statute will be considered a success or a failure largely on the manner in which it is administered,—that is, on the practical administration of practical problems by the creditors through their agents, the receivers and trustees, more than on the technical administration of the law itself by the courts. No law can be a success unless it is properly enforced and administered. As creditors themselves have almost complete power and authority to determine practical problems and matters of policy pertaining to administrations in bankruptcy, the responsibility for the success or failure must in a large measure be attributed to the creditors and not to the court or to any inherent defect in the law.

This very fact is both an advantage and a danger—an advantage when active co-operation of creditors is given, and a danger when through apathy of creditors the solving and handling of these practical problems are left to others who are not experienced in practical matters of business.

The law itself provides that the creditors—not the court, not the referee, not the trustee,—but the creditors, at each meeting, by majority vote, "shall take such steps as may be pertinent and necessary for the promotion of the best interests of the estate."

THE BUSINESS MAN'S LAW

This is the business man's law, passed for his benefit and intended for his use and his own administration so far as all practical propositions are concerned. Of course it is impractical for every body of creditors to act directly and co-operatively in every estate, and particularly in those estates where the creditors are scattered throughout the country. But it is here that the Credit Men's Associations and their Adjustment Bureaus can and do render a great service not only by watching and protecting the interests of their members but by supervising and taking an active part in the administration of all estates in which members have an interest.

In California the boards of trade are rendering this service in a highly efficient manner. Not only do these adjustment bureaus actively interest themselves on behalf of the mercantile community in bringing about the appointment of receivers and trustees who will best conserve the interest of all creditors, but they lend assistance in the matter of investi-

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gations, examinations and in the sales of property. When the same active interest is taken on behalf of creditors by all adjustment bureaus throughout the country it will be found that the law will be more effectively used, the dividend averages materially increased and the criticisms of the law itself much lessened, if not entirely silenced.

WHAT IS A RECEIVER?

The most important practical questions arising in bankruptcy embrace receiverships, sales of property and the conduct of businesses.

What is a receiver, as distinguished from a trustee in bankruptcy? I can assure you that many lawyers cannot answer that question. Business men are constantly confusing the two and creditors often expect action of a receiver that can be taken only by a trustee.

A receiver is merely a conservator, appointed by the courts, only, however, on petitions of creditors who show that it is necessary for the preservation of assets.

In voluntary bankruptcy cases, a delay of from twelve to fifteen days after the institution of the proceedings always occurs before a trustee can be appointed. During this period the ten days' notice to creditors is being given of the first meeting. But there is no person in authority to preserve the assets in the meantime.

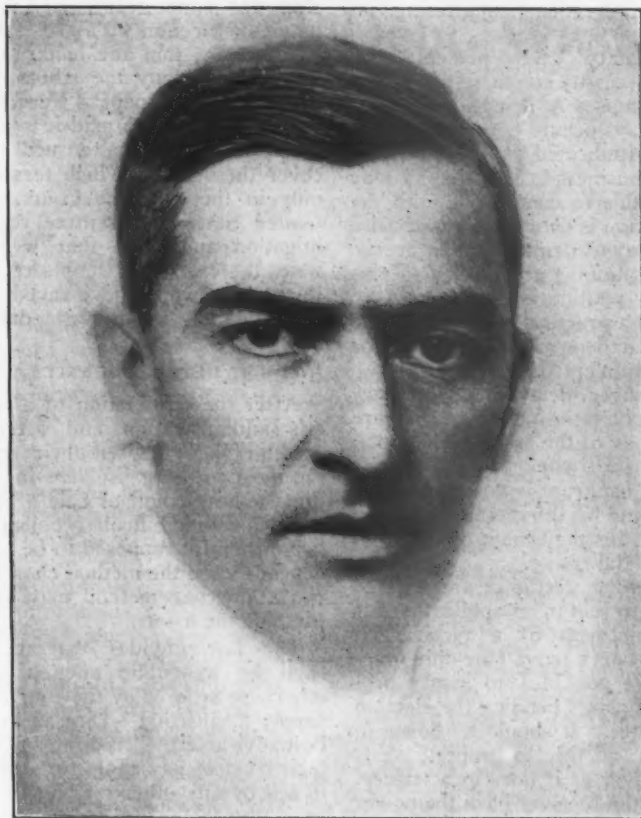
Much waste can be committed if the property is not looked after immediately; and in case of fire the former insurance would be ineffective. Consequently, it has become almost a general practice for creditors to secure the appointment of a temporary receiver with specific powers as to conduct of the business and other matters. Formerly this was thought unnecessary but experience has shown that much can be gained at a nominal cost by these receiverships.

An active receiver will prepare immediately an inventory, insure and protect the property, sell or protect perishables, make all preliminary investigations and even advertise for bidders, although he has no authority to make a sale.

Creditors may, by securing immediately a receiver who understands his duties, save in rental alone all the costs of this special proceeding, and in addition have the advantage of full protection of the assets in the meantime.

It is no uncommon practice in California for trustees of estates to sell the assets on the day of their appointment or on the day following, which is made possible through the efforts of the receiver in doing the

(Continued on page 14)



Moffett, Chicago.

HIS book of "Handmade Fables" is the latest of George Ade's witty and wise interpretations of American life. According to H. L. Mencken, "the whole body of Mr. Ade's work is as American in cut and color, in tang and savor, in structure and point of view" as the work of Mark Twain. Here are "brilliant flashlike pictures of the American people and American ways of thinking; here the veritable American stands forth. Ade is touched by the divine fire; somehow, a great instinctive artist got himself born out there on that lush Indiana farm" at Kentland, Ind. It is from his Hazelden Farm, Brook, Ind., that Mr. Ade sends to the National Association of Credit Men the understanding message that appears below.

Sorting Them Out by George Ade

TO me the credit man has always seemed a sort of superman, with methods which are unknown to other people. He can size up a man and decide, merely by looking at him, whether or not he is any good. I cannot do this, even with the assistance of a mirror.

For many years I had no standing with credit men and was not sure that they existed. I led a simple, frugal life, surrounded by small debts, and was as happy as any newspaper man has any right to be. Then the whole world began

snowballing me with money and I discovered, to my amazement, that I had credit everywhere and the discovery has cost me so much money that I shudder every time I look at the store room in which I keep my cancelled cheques.

In these days of slow repair from an orgy of riotous money-making, the men of your association can do a world of good by sorting out the men of real character and helping the business world get back to three meals a day and a fair amount of sleep every night.

requisite advertising, appraising, inventorying, etc.

Involuntary cases present even greater necessity for these temporary receiverships. A delay of at least twenty days occurs before the bankrupt is adjudicated as such. Where a going business is involved, it may be advisable to continue it until the adjudication is determined, otherwise loss by way of damages might accrue to the petitioning creditors if the involuntary petition is defeated.

This is a practical question for the creditors to determine in applying for the appointment of a receiver.

The longer delay in involuntary cases doubles the necessity for care and custody of the assets pending the election of a trustee, because in such cases the bankrupt is not likely to be friendly and his interest in protecting the assets for the benefit of creditors is very slight, if any.

Thus, when creditors are advised or asked to join in an application for the appointment of a receiver, it merely means a move (the only practical move possible) to insure protection of assets pending the election of a trustee. It should be borne in mind that no title to property vests in a receiver as it does in a trustee, nor does the receiver have the power of sale except in matters of property perishable by reason of inherent decay, and then only upon special order of court.

Frequently receivers conduct a going business until the first meeting of creditors is held, at which time, by vote of creditors, it is determined whether the business shall be further conducted by the trustee or sold out in bulk or at auction.

Certain cases, such as those embracing hotels, apartments, garages, ranches, etc., because of their nature, and accruing rental, require beyond all question the conduct of the business, for varying periods of time. Should creditors fail to apply for the appointment of a receiver in such cases, their interest may be irretrievably jeopardized by loss of a going business, loss of growing crops, and loss of tenants and good will.

To my knowledge, at least two recent cases, involving substantial assets were administered to yield 100 per cent. dividends and a large surplus to be returned to the bankrupt, only by the successful conduct of the business during the pendency of the proceedings. In either case a forced or bulk sale would have caused a tremendous sacrifice and possibly not 25 per cent. in dividends.

In another estate the creditors who filed an involuntary petition against a bankrupt believed that a receiver-

ship was unnecessary, only to find, upon the election of a trustee some weeks later, that the bankrupt had sold out virtually the whole of his assets after the papers were served upon him, and then paid it to a bank creditor. Litigation ensued to recover these assets which terminated only in the Supreme Court of the United States, after three years of litigation and costs that were ten times the costs of a simple receivership which would have saved all of this litigation and the attendant delay.

METHODS OF SALE

After the termination of a receiver's administration and after the creditors have chosen their trustee, the most pressing problem for solution is the method of sale. This is a much more difficult problem than it is generally supposed to be. Much depends upon the method chosen, because a wrong method may unduly sacrifice the assets.

The law provides that all sales shall be at public auction unless otherwise ordered by the court. This simply means that where an auction is inadvisable the creditors, through their trustee, may apply for authority to sell by any other method that appears desirable. In certain districts some one method is adopted as a general practice, whether or not such method is best suited to every line of business. In Southern California all conceivable methods of reducing assets to money are being used. In one case, a bulk sale at public auction will produce the best result. In another a piece-meal sale at public auction will be far better. It depends upon the nature of the assets involved. An auction, if not properly handled, may be the source of great loss.

As an example of the pitfalls in auctions: Some three years ago a young man who had solicited and received the votes of a majority of creditors for himself as trustee in a bankruptcy case, conceived the idea that an experienced auctioneer was unnecessary and took upon himself the responsibility of crying his own auction. This would seem, on the surface, like a saving of expense, but this is what happened: Machinery and equipment appraised at \$4,000 was involved. The law requires any sale for less than 75 per cent. of the appraised value to be made subject to confirmation of the court. This trustee took the auction block, sold an article, demanded the money, and permitted the article as sold, to be removed. At five o'clock that night the auction was concluded. The premises were stripped, the

property delivered, gone and scattered and then this trustee counted up his receipts. No doubt he was greatly disappointed to find he had under \$1,500—less than one-half of the amount for which he was permitted to make a sale. This was an irretrievable loss, for which his bonding company paid.

This transaction was only a sample of other serious mistakes of judgment and I might add that this trustee is now under indictment. The particular set of creditors who brought about the election of that trustee upon his promises of a saving in the expense of administration, learned to the full extent of their claims that the same general principles governing the conduct of any well organized business apply to an administration in bankruptcy as well.

Any method of sale open to a business house, is open to the creditors in a bankruptcy liquidation.

A retail sale to the consumer is often desirable and is highly profitable in certain lines of merchandise, especially in women's ready-to-wear goods of all kinds. Any other method of selling the stock of a fur store is plain business suicide. Stocks of furniture realize wholesale market value when sold to the consumer. Until four or five years ago the professional speculators in California had a strangle hold on all sales of merchandise in insolvent estates, and had virtually established the sale value in various lines of merchandise at certain percentages on the dollar of cost. Ladies' cloaks and suits were never known to sell at above 40 cents on the dollar at a bulk sale. Now it is not unusual for this particular line to bring the original cost at a receiver's retail sale extending over a short period of time.

It took considerable courage to change the old established practice of selling only in bulk; opposition was met in the most unexpected places. Pressure was brought to bear even on individual creditors by other retail merchants who objected to creditors realizing to the best advantage on assets through retail sales to the consumer.

Much doubt was expressed even by some creditors that a retail sale could succeed in a shoe store unless sizes were replenished. An experiment with one large shoe establishment, however, proved that shoes could be sold by a receiver in bankruptcy down to the last hundred pair at wholesale cost.

In such cases today the determining factor as to the advisability of conducting a bankrupt retail sale in the shoe business is the same as pre-

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E. W. Shepard

Reducing Bad Debt Waste

Better Methods and Better Co-operation Needed

By E. W. Shepard

Western Electric Co., New York

Chairman, Credit Co-operation & Credit Methods Executive Committee.

At every meeting of the Credit Co-operation and Credit Methods Executive Committee of the National Association of Credit Men (meetings have been held monthly during the past year) evidence has been submitted proving that there is still a need for greater co-operation and better methods. In fact the final solution of our fundamental credit problems depends upon the degree of improvement along these lines.

The reduction of our enormous bad debt waste is our major credit problem, and the solution lies in a better education of men in the business fundamentals of gross profit, expense, investments, and the relation of these to each other.

CO-OPERATION

The National Association of Credit Men, since its organization in 1896, has believed that greater co-operation would result in the more economical operation of business.

The intelligent co-operation of credit men in opening and handling accounts was recognized by the organization of the *Credit Interchange Bureaus*. The necessity for co-operation between Bureaus resulted in the Central Interchange Bureau and uniform methods.

The necessity for co-operation in closing accounts or working out embarrassed debtors was recognized by organizing the *Adjustment Bureaus*.

It has been the opinion of this Committee that we could go further than this and to advantage co-operate with other trade associations in the solution of mutual credit problems. Carrying out this idea a *Round Table of Association Secretaries* in and near New York City was formed, and monthly luncheons have been held since December.

A meeting was also held with a special committee of the Commercial Law League of America to determine as to whether or not their *collection rates* were justified. The conclusions of the Committee as a result of that meeting were to the effect that the League's rates were justified, but

that emphasis should be laid on better service.

METHODS

It is recognized that a good credit job implies small losses and that a good collection job implies a quick turnover on the receivable investment. But unless we accomplish these results and retain the good will of customers our methods are wrong.

Credit methods must be constructive, never destructive. In all of our advertising or literature on credit functions emphasis should be placed on the constructive and broader phases of credit work. Phrases such as "Analyzing Credits and Helping Him Pay" should be substituted for "Turning Him Down" and "Making Him Pay." The term "credit checking" should be changed to "credit analysis." Changes of this nature may not at first sight mean much to credit men but we all know the value of good constructive advertising. We have also seen evidence, during the past few years, that some credit men thinking and acting along broad constructive lines have been highly regarded in their own organizations.

The mortality rate among retailers for the past year has been greater than ever before. If we measure up to our responsibilities we must locate the causes of failure and apply the remedies. In the opinion of the Committee the most important step in the solution of this problem is the education of business men as to the value of a *monthly analysis* to determine in what direction the business is going, and find the remedy if one is needed.

In the opinion of the Committee the value of the trade acceptance has been proved. It is just as logical for the business house to obtain negotiable paper when loaning merchandise as it is for the bank to obtain it when loaning money. As abuses of the trade acceptance arise mainly through ignorance, our efforts should be directed to correcting those abuses wherever and whenever they take place, instead of abolishing an economical instrument.

sents itself to a shoe dealer himself, namely, rent and other overhead.

In other lines, sales by job lots may be advisable. Only in one line, grocery stores, does the bulk sale still seem to be most generally effective. In cases involving manufacturing plants, patented processes, specialty houses, and lines of manufacture out of the ordinary run, the only method is by private sale by private negotiation. I do not mean one conducted in private, behind locked doors, or in secrecy, but by the usual methods of a person desiring to sell, reaching and finding the person desiring to buy, without a forced sale at public outcry.

These are the main practical considerations involved in the proper administration of the bankruptcy law.

For lack of space, I have not touched upon many other practical matters such as proper accounting and the maintenance of books and records which will meet the exigencies of all the various business activities that clear through the bankruptcy courts. The principal idea that I would convey to and leave with the credit man is that the Bankruptcy Law, to be a complete success, requires a practical administration by practical business men much more than it requires fine distinctions being drawn by lawyers and the courts on technical questions involved in discharges, preferences, priorities and the like. These are important matters in themselves but it is little satisfaction to the creditor to know that, for example, a preferred creditor has been made to surrender his preference, after a long and expensive lawsuit, if the remainder of the estate has been frittered away by impractical methods of sale and liquidation.

Finally, the Bankruptcy Law is the business man's law, created for his use, but requiring, more than any other law, his active and intelligent participation in its practical administration, to make it effective.

In some industries there is still evidence of unjust cancellations. It is the opinion of the Committee that this abuse requires individual treatment and it should be the function of every credit man to take a strong stand in the elimination of the abuse.

DECLARATIONS

1. Whether or not the customer is entitled to credit should be a minor consideration; the major problem of the credit manager is to determine *how much credit* to give him. Character of course is fundamental; but the discovery and development of capacity is the interesting part of credit work.

2. Progress in the development of capacity will result in smaller losses. But no real progress will be made until the customer is convinced of the necessity, value and use of a *monthly analysis*.

3 The Credit Interchange Bureaus and Adjustment Bureaus of the Association, where efficiently managed, are functioning properly and are entitled to the support of the entire membership.

4. The desirability of co-operating with other associations or organizations in the solution of mutual credit problems is recognized.

5. Credit methods must be constructive, not destructive. In all credit men's literature and at association meetings the constructive functions should be emphasized, because credit men are judged largely by these expressions.

6. The mechanism of the credit department should be kept modern and efficient. Thus the credit manager can turn out his best work and can keep himself free of entangling details, and able to co-operate fully with his fellow executives.

7. The trade acceptance has proved its value where used properly. Bankers and credit men should co-operate in eliminating the abuses. The experience in industries where the trade acceptance has been used justifies its recommendation to others.

8. Unjust cancellations should not be tolerated. Each case requires individual handling by the credit man.

9. Closer co-operation and better methods are vital to the solution of credit problems. But progress in the past leads us to hope that we may look forward to the time when it will be considered an indictment against the judgment and ability of the credit man if an honest customer fails to survive.

573 Referees

C. D. WEST ("Zephon"), manager of the Investigation and Prosecution Department of the National Association of Credit Men, in a recent lecture on bankruptcy gave the figures on the number of referees in bankruptcy in the United States, District of Columbia, Hawaii and Porto Rico. The total number is 573. The largest number is in Pennsylvania, 58; next largest is in Ohio, 52. New York comes third with 41.

Investigation and Prosecution

A Busy Year With the Commercial Crooks

BESIDE using the influence and income of the I. & P. Department of the National Association of Credit Men, under the management of C. D. West ("Zephon"), for investigation and prosecution of particular cases, they have been used also during the past year in the investigation of bankruptcy rings in some of the large cities. These cliques of local attorneys specializing in bankruptcy have operated to the serious disadvantage of creditors and for the encouragement of commercial deception. We deem it an important part of the work to clean up situations of this sort, and have met with a fair degree of success, says the annual report of the I. & P. Department.

In conjunction with the office of the Cleveland Association of Credit Men, we undertook to apprehend one W. H. McFadden, who with some fellow conspirators, had defrauded some of the coal merchants of Cleveland. Their practices covered other cities; and the total of their hauls ran into large figures. After a continuous effort of seven months, with one investigator giving his entire time to the case, a man using the alias "McFadden," was apprehended in New Orleans. Four of his associates in the scheme were apprehended much earlier.

On a complaint from the San Francisco association, we had an investigator look into the affairs of the French Shop, Inc., Phoenix, Ariz. This was a flagrant case. Certain forms of evidence were obtained by the investigator, and Benjamin F. Rice, proprietor, has been indicted. The Board of Trade of San Francisco has contributed financially to the costs of the case, and is playing the foremost part in bringing it to a proper conclusion.

The I. & P. Department, in co-operation with the New York Credit Men's Association, investigated the activities of a well organized gang who used the names of well rated merchants in various cities in impersonating them and placing orders promiscuously throughout the country. They ordered merchandise, which was shipped on credits passed under the impression that the merchandise was going to the merchant rated in the commercial rating books. Their activities extended to many parts of the country and the amount of the merchandise obtained in this fraudulent manner was in excess of \$500,000. They operated eighteen

separate and distinct businesses. Sixteen of these men have been arrested and indicted and are now awaiting trial in the Federal Court in New York City.

In the case of Louis Nadel, alias Sam Nedler, of New Haven, Conn., (who, with his confederate, one Abe Garocoff, alias A. Garry, alias A. Levine, of Bridgeport, Conn., whom the department located in Cincinnati, O.,) conducting a fraudulent impersonation of one I. Glanzberg, of Cincinnati, a well-rated merchant, we were able to secure two convictions.

The department, in co-operation with the Pittsburgh association, was able to obtain two convictions in the fraudulent bankrupt scheme of Kotman & Kotman, Pittsburgh, Pa.

In the case of Abe Marcus, Dayton, O., after a delay of two years, a conviction was secured at a recent term of the Federal Court in Dayton.

A very interesting case was that of The Bootery, operated by Menus & Bronstein, at New Britain, Conn. The department located about \$20,000 worth of shoes that the bankrupt, under cover of night, had shipped by trucks and stored in the Bronx in New York City. The two bankrupts were indicted and pleaded guilty.

In the case of the West 14th Street Dry Goods Co., Cleveland, O., operated by one H. Hollander, in which the department made a large recovery in merchandise as well as cash, we were able to secure a conviction and the bankrupt is now doing time in the Federal prison at Atlanta, Georgia.

In co-operation with the Dallas association, in the bankruptcy case of F. Balsano, Denison, Tex., we were able to secure four convictions and these bankrupts are now serving their time in the Federal prison. The convicted were Balsano, his two sons and a brother-in-law.

An important case handled by the department was that of William Steinsnyder, bankrupt, doing business as the Auto Tire Co., Baltimore, Md., and the Victory Tire Co., Washington, D. C. This bankrupt bought automobile tires in a sum exceeding \$140,000. He placed approximately \$100,000 worth of tires in the original packages in which they were received in a Baltimore warehouse, and on them he borrowed \$50,000 in cash and gave a note for \$10,000 for the use of the money, the same being secured by the tires in storage. He also made large ship-

Norvell on Coal

By Rowe Williams

COMMENTING upon the coal industry as it vitally affects commerce and the general weal today, Vice-Pres. John E. Norvell of the National Association of Credit Men points out that there was an intense development of the coal industry in process for several years prior to the world war. During this time, stimulation of the industry was urged by the Government to meet its requirements in addition to those of our manufacturing industries. This resulted, at the termination of the war, in leaving the coal industry overdeveloped to such an extent that we could easily produce twice as much coal as we could consume in normal times if deprived of an export outlet. This condition left a heavy capital investment having no earning power, and also a non-productive labor surplus.

The United Mine Workers of America have proposed, in order to overcome this condition, a six-hour work-day and a five-day week. This, Mr. Norvell declares is economically wrong, because it would necessarily add to the cost of production, and socially wrong because a working week which demands so little of the employee will demoralize industry throughout the Nation.

Coal as a commodity of general use enters largely into our national life and there should be no restrictions put upon it through inflated or prohibitive prices which the United Mine Workers' plans would unquestionably bring. This basic material should be produced and marketed at a price which would insure a steady flow giving a reasonable return of profit to the producer and a decent living wage to the miner.

Not only do we have an excess capacity of coal production, but in almost every important industry the same condition prevails. Judge Gary, of the U. S. Steel Corporation, is quoted as saying that the capacity of the steel mills of the United States is at least 20 per cent greater than the domestic demand. In many lines of manufacture the ratio of home consumption is still higher than the ratio Judge Gary gives for the steel industry, notably our capacity for the manufacture of boots and shoes.

Coal men are interested naturally in the increased production of steel for it will mean an increased consumption of coal. To a considerable extent the excess production of coal could be taken care of through the adoption of trade policies that will

make it possible for other countries to buy freely of American surplus. But the greater development of export trade will not alone solve the problem. There must be a subsidence of demands on the part of the professional labor agitator and walking delegate and there must not be on the part of the Government an increase in governmental interference with the industry.

There is no sound defence of the "check-off," which is one of the points of contention in the present strife. It results in making the operator's office a collection agency for the union, involving immense clerical work for which the operator is not reimbursed. Of course from the union's point of view there is a sound reason for the "check-off," because it estimates that only a small proportion of miners' dues would be paid if the individual miner were left to pay them voluntarily. There would be a real defense for the check-off if the money thus reaching the union were to be employed solely for sick or death benefits and similar purposes. But when, as was proven to be the case in Judge Anderson's court in Indiana, a portion of the dues were used for organizing non-union fields, reason enough is given for the operators' opposition to the check-off.

There must be a re-entry into the coal field of personal ambition on the part of the worker, an impulse to excel, a chance for individual expression, every man working at his task and rewarded on the basis of the amount and quality of work done and not raised or lowered to a certain plane or standard, regardless of abilities and loyalties.

(Continued from page 10)

ments of tires by water and rail. The expansion of its work has been great in the past few years, and much more could be accomplished were an adequate income supplied.

I am grateful to the officers of local associations and to the entire organization for the courtesies extended me during the term of my administration, and I have felt happy in the belief that we are working together as one family with nothing in view but the defense of commercial credits.

CREDO

In concluding this report, I would submit these firm convictions, which come to me as they have through a year's close observation, and a strong desire in every form and manner to be true to the trust reposed in me: (a) I believe the world is now tend-

ing to the restoration of economic stability, without which we cannot hope for full recovery and a maximum of our own productive powers; (b) I believe that while the Nation is assisting generously and wisely in the restoration of economic stability in the world, we should not overlook our obligations at home, that we should redouble our efforts upon the restoration of our internal commerce, bring it to a maximum through a better distribution of buying powers, a correction in the maladjustment of prices, the relief of unemployment and the avoidance of strikes; (c) I believe that business should enjoy reasonable freedom, that our present form of taxation and its extent are imposing serious burdens on business and that the failure to correct our taxation wrongs will prove a hindrance to our entire restoration, that confidence should be reposed in the integrity of our business men, and that they should not be hampered by unnecessary and stringent regulations; (d) I believe in the powers of our Nation to produce and to progress, and that these powers should be cultivated diligently but with a true sense of our moral obligations to live in strict accord with those ideals which find favor with God and man; (e) I believe in the future of our own organization, that its work has been felt in giving sounder bases to our commerce, that it has assisted tremendously in the building up of our trade and the expansion of our financial powers; (f) I believe that truthness, fairness and courage will be its controlling elements always, that it will seek not honors alone but the real welfare of the Nation; (g) I believe that the members of the Association, and business enterprises generally, recognize the controlling impulses of the organization, and will give it unstinted support, which will be indicated in the quick compensation for the slight loss in membership that seems probable this year; I believe we have every reason to feel confidence and hope in the future, that bright days are coming to the Nation, and that we should not endeavor to hasten them by unwise or premature efforts.

I cannot close this report without expressing again my sincere thanks to the entire organization, to those with whom I have been closely related for their many considerations of the year, and without asking every member to join with me in the best of wishes for the future of the organization which we are proud to serve and which is one of the bright stars in the firmament of American commerce.

Indexing Credit Files

Promptness and Accuracy in Locating Records

By H. P. Reader

Interwoven Stocking Co., New Brunswick, N. J.

PREVIOUS articles in this series have stressed the value to the credit man of accurate and well kept records. To be of real service, these records must be up to date; but an even more important consideration is that it be possible to locate a record with certainty and promptness on call.

Data of such vital importance to the business as credit records must first be properly housed, and for this purpose, judicious care should be exercised in the choice of proper cabinets.

Many houses that design, manufacture and sell filing systems now maintain "technical departments" to co-operate with the credit man and assist him in choosing the equipment best adapted to his needs.

To indicate how important correct

indexing is, it is but necessary to cite one case: A file house has spent \$150,000 over a period of two years in compiling correct indexes. This investigation entailed an examination of enormously long lists of commercial names, over a long period of years, in order to ascertain the trend of commercial names. They wanted to establish whether the personal equation was giving place to the corporate equation in commercial name beginnings. For example, every credit man must have noticed that personal names, such as John Smith, John Jones, etc., are gradually being dropped in favor of corporate names, like American, United, Atlas, Empire.

A properly compiled index will show on the tabs the majority of the name beginnings which may be filed behind any particular guide. One of

the basic ideas underlying correct indexing is the elimination of mental spelling, which is one of the greatest factors in incorrect filing.

A GOOD INDEX SAVES TIME

An order is practically worthless until it has received the O. K. of the credit man, which is the first step in putting it through for execution. The credit man must, therefore, have his information so arranged as to permit of his handling these orders with a high degree of speed and accuracy. The basis of such speed must essentially be correct indexing, and, in proportion as the indexing is "spotty," or weak, the speed with which he will get through his work will be reduced.

In handling card lists, there never should be more than thirty cards between guides. This arbitrary figure is laid down to prevent a tendency to have card lists under-indexed. The assumption is that the card in demand is in the center of the thirty, so that only fifteen cards, at a maximum, will be handled at any one time. When a credit man is building up his index to his card lists, the only safe method is for him to adopt a type of indexing which will permit of quick expansion to take care of the growing needs of his business.

The insertion of proper guide cards in "sight indexing" is attended with some difficulties, but the user of the index is so familiar, as a rule, with the exact location of the card in its particular section that he experiences little difficulty in locating it immediately. It would be well, however, for the credit man to have the expert co-operation of the house which supplies him with his sight indexes, to assist him in the insertion of proper guide cards in their logical places.

As indicated in a previous article in the CREDIT MONTHLY the synopsis of the credit information obtained from various original sources is recorded on a 3x5 in. or a 4x6 in. card, which will be filed geographically, and then to co-ordinate with the mercantile agency books.

VISIBILITY

One of the essential features of speedy reference is perfect visibility of the index immediately the

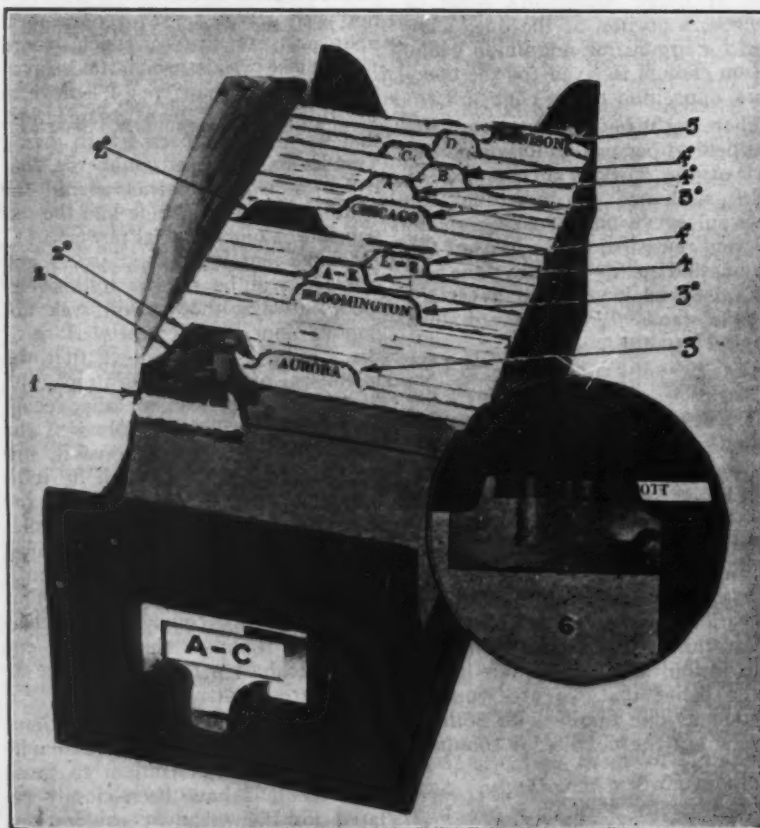


FIGURE 1. GEOGRAPHICAL FILE

The geographical classification at left of file is supplemented by tabs at right which give names of chief cities, and by an alphabetical file which lists the less important towns.

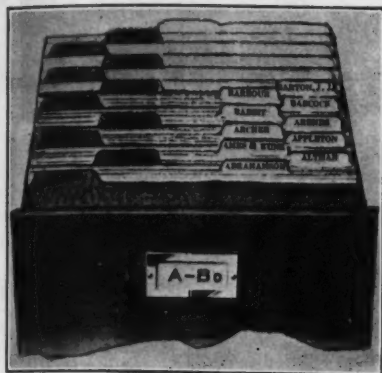


FIGURE 2. ALPHABETICAL FILE.

The general classification at left of cards is supplemented by individual name tabs at right.

card drawer is opened. This is best attained by using a state guide, placed in the first, or left-hand position, and occupying about two-fifths of the width of the drawer. This may be supplemented with a geographic-alphabetic index, in order to take care of those towns which are not to be segregated, but to which the credit man must have speedy access. Large cities, in which there is a number of customers, will be segregated and given prominence by the use of a special name guide, placed in the center position, and occupying about one-fifth of the width of the drawer. There is no objection to this guide occupying about two-fifths of the center position, even if there is a slight overlapping in this case, as the number of cards between guides will prevent this overlapping from spoiling the visibility.

Where there is a large number of customers in a large town which has been segregated, a supplementary alphabetic index may be used to subdivide them, so as to make them readily accessible for reference.

A glance at Fig. 1 will illustrate the method described above.

When new issues of the mercantile agency books are received, any necessary rating changes should be made both on the sight index, filed alphabetically, and on the cards, filed geographically, in co-ordination with the arrangement of the agency books. Cards which have been removed for the insertion of data should be replaced carefully in their properly established sequence.

Credit reports on a client, from whatever source, should be collected together and placed in an individual folder, filed alphabetically according to the client's name. In

most cases it will be found that these reports vary in size, and, as the unnecessary folding of documents is bad and to be avoided, care should be taken to select the proper size of cabinet which will accommodate reports of all sizes, without folding.

The alphabetic filing of these reports should receive careful attention. As the folders may be retained for a considerable length of time in the file, they should be made a good, sturdy stock, and should be tabbed in order to provide the greatest possible visibility. The most recent practice is to have the tab cut about one-third the width of the folder itself. Only the last two positions of the tab are used, and these are staggered in alternate positions on the right-hand side of the file drawer. The first or left-hand section of the file drawer will be occupied with the main index, which will have tabs in staggered positions, each tab occupying about one-fifth of the space of the file drawer.

It will be seen, from a glance at Fig. 2, that a high visibility is obtained, and it follows that speed will be greater than where visibility is sacrificed.

Where the complete credit history of a client is desired, the card recorded should not be depended upon for this information. It may be that through omission or error, certain data has been omitted from the credit card; whereas, the complete credit reports will invariably be a much more accurate guide to a client's standing.

GET RID OF DEAD MATERIAL

The file carrying these credit reports should be cleaned out at certain periods, because dead or inactive material merely tends to reduce the speed of examination. When required access may be had to inactive data, provided it has been intelligently transferred, some credit men transfer this inactive material to the dead correspondence file. This practice, however, tends to put an unnecessary load on transferred correspondence, and in many cases destroys the perfect proportion which should be maintained in the correspondence file. By using transfer cases, this difficulty is overcome, even if it does mean that there are two possible places to look for credit reports, that is, both in the active and inactive file. However, if the inactive file has been indexed in a way similar to the active file, no great loss of time will be experienced in locating it.



FIGURE 3. INDIVIDUAL CARDS

All material on individual cards is alphabetized to attain greatest economy of time and space.

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The Next Great Inflation

Time to Check It Is From Now On to Peak of Prosperity

By Dr. Edwin F. Gay

Editor of New York Evening Post



EDWIN F. GAY, who holds degrees from Michigan, Harvard and Berlin, was born in Detroit in 1867. After serving as dean of the Harvard Graduate School of Business Administration, he was, during wartime, a member of the Shipping Board, the War Industries Board, etc. No American newspaper is doing more to promulgate sound economic doctrine than the New York Evening Post, which he has edited, since 1920.

THE topic upon which I have been asked to speak at the 27th Annual Convention of the National Association of Credit Men is, "What must be done to revive business and what must be done to maintain business prosperity?"

The first part of this question really calls for no answer, for there are clear signs that business is already reviving. Among the unmistakable signs of an upward movement, I would direct attention especially to the following:

1. Credit stringency is now largely a thing of the past. Call loans on the New York Stock Exchange at present range from $3\frac{1}{2}$ to 4 per cent. compared with $6\frac{1}{2}$ to 10 per cent. a year ago. Time loans of 30 to 60 days' maturity are now made in the New York market at 4 per cent. compared with $6\frac{1}{2}$ to 6 per cent. a year ago.

2. There has been a steady rise in the prices of securities. Since last August 20 selected industrial stocks have scored an average advance of 30 points and 20 railway stocks have advanced 18 points. This advance has been accompanied recently by a marked increase in the volume of trading.

The foregoing facts are of special significance as business barometers, for the reason that easy money conditions and speculative vigor in the securities markets normally precede the recovery of business from depression; and these developments have been with us for some time.

3. Improvement in the volume of business turnover is indicated by the increase in bank clearings. The week ending May 6 showed a gain of 18.4 per cent. over the corresponding week of 1921; the week ending May 13 in like manner showed a gain of 14.5 per cent.

4. Further financial recovery is shown in the status of the Federal Reserve System. The reserve ratio for the twelve banks was 77.6 per cent. on May 9, compared with 56.8 per cent. a year

ago. The interbank borrowings by which the weaker regional banks managed to maintain their reserves at the legal minimum during the period of depression, came to an end last December. Within the past year the Reserve notes in circulation have been reduced by more than \$650,000,000, thus indicating recovery from the currency inflation that followed the armistice.

5. During the past year the general level of wholesale prices has been fairly stable, but there have been wide discrepancies in the prices of different commodity groups. Such maladjustments, however, are being eliminated. There has been a tendency for the groups whose prices were below the general average to advance, and for those whose prices were above that average to recede. Incidentally, this tendency toward an equilibrium has brought better prices for farm products and for metals, the two groups whose prices have been most "out of line".

6. There has been pronounced improvement in the steel industry, the

present output of ingots being about 90 per cent. greater than in December. The marked increase in the unfilled orders of the U. S. Steel Corporation also indicates more active buying.

7. Although the coal strike brought a decline in car loadings, there has been a gain in the loadings of merchandise and miscellaneous freight, both over the earlier months of 1922 and over the corresponding period a year ago.

8. Railway earnings have also showed a marked gain. In March the roads made the best showing since the passage of the Transportation Act. The net earnings for that month were 5.8 per cent. on the official valuation of the carriers by the Interstate Commerce Commission.

9. Business failures, which have been abnormally large since the beginning of business depression, are becoming less frequent.

10. The automobile industry is finding 1922 a year of prosperity.

11. The country is experiencing a widespread building revival, and this is accompanied by an increased output of building materials.

12. The improvement in basic industries already noted has led to an increase in employment in industrial establishments.

13. That the progress of business toward recovery has not been confined to this country is indicated by the steady advance in exchange rates on most countries other than those of Central Europe. Sterling exchange now fluctuates around \$4.45, whereas a year ago it was below \$4.00.

TO MAINTAIN PROSPERITY

The second part of the question—What must be done to maintain business prosperity?—cannot but suggest a problem which has come prominently before the minds of the business men of the country, especially as a result of Mr. Hoover's Unemployment Conference. The leading economists and thoughtful business men are agreed in discerning a regular recurrence of periods of prosperity followed by periods of depression, in other words, the phenomenon of the business cycle. It is probable that the factors which underlie this periodical pulsation of business are deeply rooted in the psychology of modern business enterprise, and the rhythmical pulsation cannot be altogether eliminated; in fact, there are reasons why it should not be eliminated altogether even if this were possible. But certainly, in the United States the violence of the fluctuation between the extreme high point and the low point are excessive. And something may and should be done by concerted action on the part of a large number of business men to make the curve somewhat smoother and the economic sufferings of the recurrent depressions more endurable.

Every one of these periods of

business depression has brought not only bankruptcies and economic suffering in its train, but has also—such is the law of all things human—brought benefits as well. It is an old saying and true, that "necessity is the mother of invention"; and social pressure is usually necessary in order to give spur to socially constructive efforts. Some of those pieces of social construction are most clearly noticeable in the field of money and credit.

The crises of 1857 and 1860 gave birth to the clearing-house system. The reaction to the inflationist doctrine springing from the crises of '73 and '93 soundly educated the country to the need of a gold basis for our currency. The banking crisis of 1907 definitely brought to a head the movement for the development of central banking, which resulted in the Federal Reserve System. Other economic results are observable as well. The movement of population from the industrial East to the agricultural West has been stimulated in the past by each period of economic depression. The movement toward larger economic and social co-operation has been clearly influenced by the pressure of recurrent bad times. Mergers of industrial corporations, the co-operation of trade associations, and of trade unions have all grown through learning the need of closer cohesion from the lesson of adversity. Anyone cognizant with the details of individual industries and businesses can note clearly the influence of business depression in the introduction of greater economies of production and organization of labor-saving invention and increasing efficiencies in selling and advertising.

BENEFITS OF DEPRESSION

The question which our topic suggests then, is this: What are the permanent benefits to individuals and to our economic society as a whole to be learned from the most recent depression?

Apart from the innumerable individual lessons and the great social gains resulting from individual economies, there are several movements already under way which indicate substantial benefits resulting from the recent depression:

First, it is to be hoped that the Federal Reserve System, having had an exceptional testing out both under the strain of war finance and the subsequent depression, will have gained not only the praise it merits but the stability and freedom from political influence which is essential if it is to safeguard our economic structure.

Second, it is becoming apparent that definite gains in social co-operation are

already coming. There is a slight revival of the old practice of mergers of great corporations. More important than this is the great impetus given to trade associations and their healthy activities. The work of the War Finance Corporation in developing agricultural co-operation on a large scale is another indication of the same general type.

Finally, it is likely that one of the most important results of the present period will be the steadily developing use and reliance of business men upon statistics and a statistical forecast. The statistician has come into his own, both in individual businesses and in his study of business conditions as a whole. The lead taken by Secretary Hoover in the extension of the work of the Census is one of the greatest governmental contributions to this new movement, which, in my belief, ought to and will spread, with incalculable benefits to the business community as a whole.

The time to check the next great inflation is from now on to the peak of prosperity. Less headlong precipitation when prosperity comes, more conservative judgment in buying, in credit extensions, and in adding new equipment will result in less disaster when the inevitable depression falls.

The Personal Touch

By Director T. K. Cree

Alling & Cory Co., Pittsburgh, Pa.

ONE of the most important features of the annual convention of the National Association of Credit Men is the opportunity to meet with credit men from all parts of the country who are interested in the same lines of business. If that be so then the delegate who neglects to participate in his Group Conference misses a great opportunity.

Too often delegates from different cities stick together, both in the conferences and during the entertainments. Of course the result is to cement friendships among men from the same town, but the broader acquaintanceship which can be formed by coming into contact with men of other localities is of far greater value.

The experience of our Pittsburgh Interchange Bureau has been that greater confidence and less restrained exchange is shown where there is personal acquaintance; and it is a mighty fine thing to know personally credit men in your own line from other cities. One never knows when some specific information may be needed. Personal touch as a basis of correspondence always helps. Why not set out to increase our friendships afield?

Advice to Crooks: Avoid Credit Men

FROM all over the country have come inquiries to the National Association of Credit Men regarding the legitimacy of so-called leagues or associations whose solicitors are traveling about getting memberships to support the demand that Washington authorize a universal mileage book.

The Norfolk-Tidewater Association of Credit Men, whose president is Henry G. Barbee, became immediately suspicious when Norfolk was being solicited by a New York individual representing a so-called traveler's league. Mr. Barbee, as he heard the story, was satisfied that it was impossible to obtain the results sought by the league. He therefore questioned the solicitor as to his organization,—who was behind it and what it represented. When questioned as to whether the organization was incorporated and who the officers were, the solicitor admitted that it was neither incorporated nor a partnership, that subscribers were being solicited for \$10 each, though any amount would be accepted provided the party solicited would attach the name of his firm to a long list which had been secured in Virginia, West Virginia, Ohio, Tennessee and other states.

Mr. Barbee immediately got in touch with New York where it was learned that at the address in Wall Street given by the solicitor as his home office, his name was not known. Mr. Barbee arranged through a man who had subscribed to get out a warrant of arrest for the solicitor for having obtained money on false pretenses. The arrest was made. On examination, the solicitor agreed to return the checks if the warrant were withdrawn. This Mr. Barbee refused to do. In appearing before the police court, the solicitor agreed through his attorney to enter a plea of guilty, pay a \$25 fine and return all the checks to the local subscribers and leave the city. This accomplished, Mr. Barbee immediately got in touch with the chambers of commerce throughout the country warning them all against the scheme.

Commenting upon this instance, J. H. Beek, secretary of the National Industrial Traffic League, advises that business houses subscribe no money to mileage book schemes represented by solicitors. He says that the National Industrial Traffic League, chambers of commerce and legitimate traveling men's organizations are organized to handle matters of this kind effectively.

Foam from the Three C's



Some folks are unconventional only at conventions.

cCc

The motto of the Genoa Conference seemed to be "Let George do it."

cCc

Many failures are directly caused by too much invent in the inventory.

cCc

If the coal strike continues, Kipling may well revamp his Vampire to read, "A Fuel There Was."

cCc

Some firms, particularly mail order houses, have a form letter for the purpose of smoothing their customers' feelings, known as the "bed-bug letter." The significance evidently is that it keeps their customers up to scratch.

cCc

Many nations, in trying to reduce national expenditures, find that after once drafting a budget, they can't budget.

cCc

In view of the phenomenal sale of Eskimo Pie, which by reason of the large consumption of cocoa, is putting Ecuador on its feet, it will no doubt be perfectly proper for Ecuadoreans to refer to Americans as pie-eyed Yankees.

cCc

The economic principle of the Soviet's recommendation that the whole world become Bolshevized is undoubtedly that fifty nations can starve as cheaply as one.

There was an earnest credit man who did his very best;
His bad debt losses always ran 'way under all the rest;
He didn't watch the clock all day, but stuck right to his work,
And when an extra job came 'round, he never tried to shirk.

But do you think the soulless firm for which he toiled and slaved
Appreciated what he'd done and fittingly behaved?
And when he'd saved them thousands by sitting on the lid,
D'ye think they showed their gratitude?—you bet your life they did!
—They gave him a two dollar raise.

Our Own Credit Lexicon

CHECK.—The answer to a Credit Man's prayer. A small piece of paper arriving (maybe) in the mail, the anticipation of which makes every day Christmas for the C.M.—and sometimes hangman's day after the mail arrives. Checks, like eggs, are either good or bad. Bad checks are usually drawn by bad eggs. Q.E.D.

DEPRESSION.—High-brow name for hard times. The bottom of depression is sometimes so deep that crude persons feel justified in declaring that their businesses are located in the tropical climate where all the bad little boys go.

DISCOUNT.—A rebate given to a consignee for paying up in ten days. (N.B. He usually takes it anyhow, and pays when he darn please.)

DUN.—A form of letter of which every C.M. has the best in the world, sometimes it brings in the money, but never fails to gather bits of

unique sarcasm and odd profanity which are later used to good advantage in conversation at credit men's luncheons.

FRAUDULENT FAILURE.—Any failure of any merchant which has stuck any C.M. (Ask "Zephon.")

PROSPERITY.—Something that business in the Spring will surely enjoy in the Fall, and in the Fall will unquestionably enjoy in the Spring, and in the Spring without a doubt, etc. ad infinitum.

RECEIVER.—A person whose hands are the only part of his anatomy ever mentioned. The palms are usually upward and out. He is the captain of the ship upon which wobbly concerns are loaded and supposedly headed towards smoother seas. For some reason, the good ship often goes down with all hands—except the receiver's.

B. B. T.

Indexing Credit Files

Promptness and Accuracy in Locating Records

By H. P. Reader

Interwoven Stocking Co., New Brunswick, N. J.

PREVIOUS articles in this series have stressed the value to the credit man of accurate and well kept records. To be of real service, these records must be up to date; but an even more important consideration is that it be possible to locate a record with certainty and promptness on call.

Data of such vital importance to the business as credit records must first be properly housed, and for this purpose, judicious care should be exercised in the choice of proper cabinets.

Many houses that design, manufacture and sell filing systems now maintain "technical departments" to co-operate with the credit man and assist him in choosing the equipment best adapted to his needs.

To indicate how important correct

indexing is, it is but necessary to cite one case: A file house has spent \$150,000 over a period of two years in compiling correct indexes. This investigation entailed an examination of enormously long lists of commercial names, over a long period of years, in order to ascertain the trend of commercial names. They wanted to establish whether the personal equation was giving place to the corporate equation in commercial name beginnings. For example, every credit man must have noticed that personal names, such as John Smith, John Jones, etc., are gradually being dropped in favor of corporate names, like American, United, Atlas, Empire.

A properly compiled index will show on the tabs the majority of the name beginnings which may be filed behind any particular guide. One of

the basic ideas underlying correct indexing is the elimination of mental spelling, which is one of the greatest factors in incorrect filing.

A GOOD INDEX SAVES TIME

An order is practically worthless until it has received the O. K. of the credit man, which is the first step in putting it through for execution. The credit man must, therefore, have his information so arranged as to permit of his handling these orders with a high degree of speed and accuracy. The basis of such speed must essentially be correct indexing, and, in proportion as the indexing is "spotty," or weak, the speed with which he will get through his work will be reduced.

In handling card lists, there never should be more than thirty cards between guides. This arbitrary figure is laid down to prevent a tendency to have card lists under-indexed. The assumption is that the card in demand is in the center of the thirty, so that only fifteen cards, at a maximum, will be handled at any one time. When a credit man is building up his index to his card lists, the only safe method is for him to adopt a type of indexing which will permit of quick expansion to take care of the growing needs of his business.

The insertion of proper guide cards in "sight indexing" is attended with some difficulties, but the user of the index is so familiar, as a rule, with the exact location of the card in its particular section that he experiences little difficulty in locating it immediately. It would be well, however, for the credit man to have the expert co-operation of the house which supplies him with his sight indexes, to assist him in the insertion of proper guide cards in their logical places.

As indicated in a previous article in the CREDIT MONTHLY the synopsis of the credit information obtained from various original sources is recorded on a 3x5 in. or a 4x6 in. card, which will be filed geographically, and then to co-ordinate with the mercantile agency books.

VISIBILITY

One of the essential features of speedy reference is perfect visibility of the index immediately the

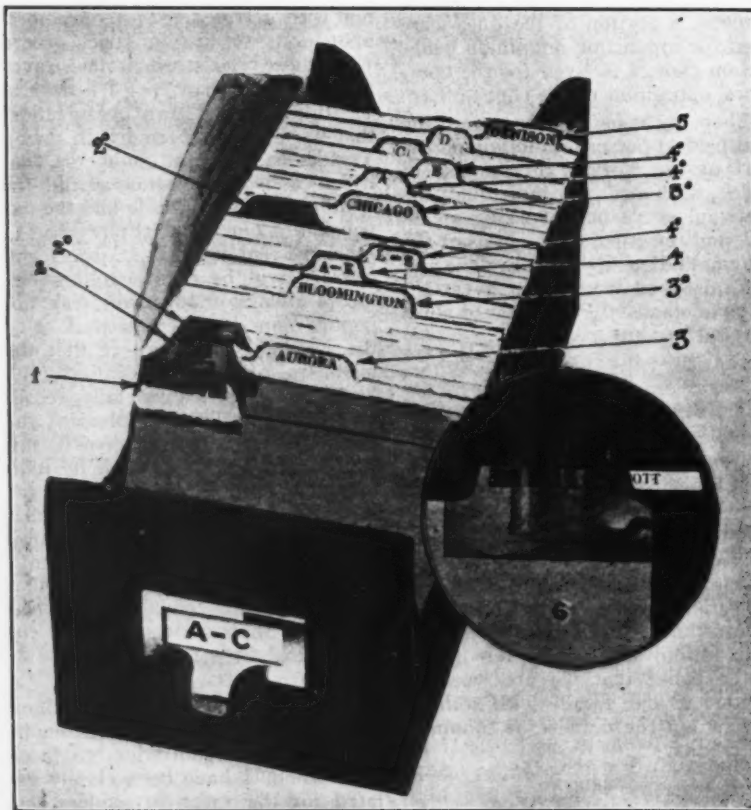


FIGURE 1. GEOGRAPHICAL FILE

The geographical classification at left of file is supplemented by tabs at right which give names of chief cities, and by an alphabetical file which lists the less important towns.



FIGURE 2. ALPHABETICAL FILE.
The general classification at left of cards is supplemented by individual name tabs at right.

card drawer is opened. This is best attained by using a state guide, placed in the first, or left-hand position, and occupying about two-fifths of the width of the drawer. This may be supplemented with a geographic-alphabetic index, in order to take care of those towns which are not to be segregated, but to which the credit man must have speedy access. Large cities, in which there is a number of customers, will be segregated and given prominence by the use of a special name guide, placed in the center position, and occupying about one-fifth of the width of the drawer. There is no objection to this guide occupying about two-fifths of the center position, even if there is a slight overlapping in this case, as the number of cards between guides will prevent this overlapping from spoiling the visibility.

Where there is a large number of customers in a large town which has been segregated, a supplementary alphabetic index may be used to subdivide them, so as to make them readily accessible for reference.

A glance at Fig. 1 will illustrate the method described above.

When new issues of the mercantile agency books are received, any necessary rating changes should be made both on the sight index, filed alphabetically, and on the cards, filed geographically, in coordination with the arrangement of the agency books. Cards which have been removed for the insertion of data should be replaced carefully in their properly established sequence.

Credit reports on a client, from whatever source, should be collected together and placed in an individual folder, filed alphabetically according to the client's name. In

most cases it will be found that these reports vary in size, and, as the unnecessary folding of documents is bad and to be avoided, care should be taken to select the proper size of cabinet which will accommodate reports of all sizes, without folding.

The alphabetic filing of these reports should receive careful attention. As the folders may be retained for a considerable length of time in the file, they should be made a good, sturdy stock, and should be tabbed in order to provide the greatest possible visibility. The most recent practice is to have the tab cut about one-third the width of the folder itself. Only the last two positions of the tab are used, and these are staggered in alternate positions on the right-hand side of the file drawer. The first or left-hand section of the file drawer will be occupied with the main index, which will have tabs in staggered positions, each tab occupying about one-fifth of the space of the file drawer.

It will be seen, from a glance at Fig. 2, that a high visibility is obtained, and it follows that speed will be greater than where visibility is sacrificed.

Where the complete credit history of a client is desired, the card recorded should not be depended upon for this information. It may be that through omission or error, certain data has been omitted from the credit card; whereas, the complete credit reports will invariably be a much more accurate guide to a client's standing.

GET RID OF DEAD MATERIAL

The file carrying these credit reports should be cleaned out at certain periods, because dead or inactive material merely tends to reduce the speed of examination. When required access may be had to inactive data, provided it has been intelligently transferred, some credit men transfer this inactive material to the dead correspondence file. This practice, however, tends to put an unnecessary load on transferred correspondence, and in many cases destroys the perfect proportion which should be maintained in the correspondence file. By using transfer cases, this difficulty is overcome, even if it does mean that there are two possible places to look for credit reports, that is, both in the active and inactive file. However, if the inactive file has been indexed in a way similar to the active file, no great loss of time will be experienced in locating it.



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The first part of this question really calls for no answer, for there are clear signs that business is already reviving. Among the unmistakable signs of an upward movement, I would direct attention especially to the following:

1. Credit stringency is now largely a thing of the past. Call loans on the New York Stock Exchange at present range from 3½ to 4 per cent. compared with 6½ to 10 per cent. a year ago. Time loans of 30 to 60 days' maturity are now made in the New York market at 4 per cent. compared with 6½ to 6 per cent. a year ago.

2. There has been a steady rise in the prices of securities. Since last August 20 selected industrial stocks have scored an average advance of 30 points and 20 railway stocks have advanced 18 points. This advance has been accompanied recently by a marked increase in the volume of trading.

The foregoing facts are of special significance as business barometers, for the reason that easy money conditions and speculative vigor in the securities markets normally precede the recovery of business from depression; and these developments have been with us for some time.

3. Improvement in the volume of business turnover is indicated by the increase in bank clearings. The week ending May 6 showed a gain of 18.4 per cent. over the corresponding week of 1921; the week ending May 13 in like manner showed a gain of 14.5 per cent.

4. Further financial recovery is shown in the status of the Federal Reserve System. The reserve ratio for the twelve banks was 77.6 per cent. on May 9, compared with 56.8 per cent. a year

ago. The interbank borrowings by which the weaker regional banks managed to maintain their reserves at the legal minimum during the period of depression, came to an end last December. Within the past year the Reserve notes in circulation have been reduced by more than \$650,000,000, thus indicating recovery from the currency inflation that followed the armistice.

5. During the past year the general level of wholesale prices has been fairly stable, but there have been wide discrepancies in the prices of different commodity groups. Such maladjustments, however, are being eliminated. There has been a tendency for the groups whose prices were below the general average to advance, and for those whose prices were above that average to recede. Incidentally, this tendency toward an equilibrium has brought better prices for farm products and for metals, the two groups whose prices have been most "out of line".

6. There has been pronounced improvement in the steel industry, the

present output of ingots being about 90 per cent. greater than in December. The marked increase in the unfilled orders of the U. S. Steel Corporation also indicates more active buying.

7. Although the coal strike brought a decline in car loadings, there has been a gain in the loadings of merchandise and miscellaneous freight, both over the earlier months of 1922 and over the corresponding period a year ago.

8. Railway earnings have also showed a marked gain. In March the roads made the best showing since the passage of the Transportation Act. The net earnings for that month were 5.8 per cent. on the official valuation of the carriers by the Interstate Commerce Commission.

9. Business failures, which have been abnormally large since the beginning of business depression, are becoming less frequent.

10. The automobile industry is finding 1922 a year of prosperity.

11. The country is experiencing a widespread building revival, and this is accompanied by an increased output of building materials.

12. The improvement in basic industries already noted has led to an increase in employment in industrial establishments.

13. That the progress of business toward recovery has not been confined to this country is indicated by the steady advance in exchange rates on most countries other than those of Central Europe. Sterling exchange now fluctuates around \$4.45, whereas a year ago it was below \$4.00.

TO MAINTAIN PROSPERITY

The second part of the question—What must be done to maintain business prosperity?—cannot but suggest a problem which has come prominently before the minds of the business men of the country, especially as a result of Mr. Hoover's Unemployment Conference. The leading economists and thoughtful business men are agreed in discerning a regular recurrence of periods of prosperity followed by periods of depression, in other words, the phenomenon of the business cycle. It is probable that the factors which underlie this periodical pulsation of business are deeply rooted in the psychology of modern business enterprise, and the rythmical pulsation cannot be altogether eliminated; in fact, there are reasons why it should not be eliminated altogether even if this were possible. But certainly, in the United States the violence of the fluctuation between the extreme high point and the low point are excessive. And something may and should be done by concerted action on the part of a large number of business men to *make the curve somewhat smoother and the economic sufferings of the recurrent depressions more endurable.*

Every one of these periods of

business depression has brought not only bankruptcies and economic suffering in its train, but has also—such is the law of all things human—brought benefits as well. It is an old saying and true, that "necessity is the mother of invention"; and social pressure is usually necessary in order to give spur to socially constructive efforts. Some of those pieces of social construction are most clearly noticeable in the field of money and credit.

The crises of 1857 and 1860 gave birth to the clearing-house system. The reaction to the inflationist doctrine springing from the crises of '73 and '93 soundly educated the country to the need of a gold basis for our currency. The banking crisis of 1907 definitely brought to a head the movement for the development of central banking, which resulted in the Federal Reserve System. Other economic results are observable as well. The movement of population from the industrial East to the agricultural West has been stimulated in the past by each period of economic depression. The movement toward larger economic and social co-operation has been clearly influenced by the pressure of recurrent bad times. Mergers of industrial corporations, the co-operation of trade associations, and of trade unions have all grown through learning the need of closer cohesion from the lesson of adversity. Anyone cognizant with the details of individual industries and businesses can note clearly the influence of business depression in the introduction of greater economies of production and organization of labor-saving invention and increasing efficiencies in selling and advertising.

BENEFITS OF DEPRESSION

The question which our topic suggests then, is this: What are the permanent benefits to individuals and to our economic society as a whole to be learned from the most recent depression?

Apart from the innumerable individual lessons and the great social gains resulting from individual economies, there are several movements already under way which indicate substantial benefits resulting from the recent depression:

First, it is to be hoped that the Federal Reserve System, having had an exceptional testing out both under the strain of war finance and the subsequent depression, will have gained not only the praise it merits but the stability and freedom from political influence which is essential if it is to safeguard our economic structure.

Second, it is becoming apparent that definite gains in social co-operation are

already coming. There is a slight revival of the old practice of mergers of great corporations. More important than this is the great impetus given to trade associations and their healthy activities. The work of the War Finance Corporation in developing agricultural co-operation on a large scale is another indication of the same general type.

Finally, it is likely that one of the most important results of the present period will be the steadily developing use and reliance of business men upon statistics and a statistical forecast. The statistician has come into his own, both in individual businesses and in his study of business conditions as a whole. The lead taken by Secretary Hoover in the extension of the work of the Census is one of the greatest governmental contributions to this new movement, which, in my belief, ought to and will spread, with incalculable benefits to the business community as a whole.

The time to check the next great inflation is from now on to the peak of prosperity. Less headlong precipitation when prosperity comes, more conservative judgment in buying, in credit extensions, and in adding new equipment will result in less disaster when the inevitable depression falls.

The Personal Touch

By Director T. K. Cree

Alling & Cory Co., Pittsburgh, Pa.

ONE of the most important features of the annual convention of the National Association of Credit Men is the opportunity to meet with credit men from all parts of the country who are interested in the same lines of business. If that be so then the delegate who neglects to participate in his Group Conference misses a great opportunity.

Too often delegates from different cities stick together, both in the conferences and during the entertainments. Of course the result is to cement friendships among men from the same town, but the broader acquaintanceship which can be formed by coming into contact with men of other localities is of far greater value.

The experience of our Pittsburgh Interchange Bureau has been that greater confidence and less restrained exchange is shown where there is personal acquaintance; and it is a mighty fine thing to know personally credit men in your own line from other cities. One never knows when some specific information may be needed. Personal touch as a basis of correspondence always helps. Why not set out to increase our friendships afield?

Advice to Crooks: Avoid Credit Men

FROM all over the country have come inquiries to the National Association of Credit Men regarding the legitimacy of so-called leagues or associations whose solicitors are traveling about getting memberships to support the demand that Washington authorize a universal mileage book.

The Norfolk-Tidewater Association of Credit Men, whose president is Henry G. Barbee, became immediately suspicious when Norfolk was being solicited by a New York individual representing a so-called traveler's league. Mr. Barbee, as he heard the story, was satisfied that it was impossible to obtain the results sought by the league. He therefore questioned the solicitor as to his organization,—who was behind it and what it represented. When questioned as to whether the organization was incorporated and who the officers were, the solicitor admitted that it was neither incorporated nor a partnership, that subscribers were being solicited for \$10 each, though any amount would be accepted provided the party solicited would attach the name of his firm to a long list which had been secured in Virginia, West Virginia, Ohio, Tennessee and other states.

Mr. Barbee immediately got in touch with New York where it was learned that at the address in Wall Street given by the solicitor as his home office, his name was not known. Mr. Barbee arranged through a man who had subscribed to get out a warrant of arrest for the solicitor for having obtained money on false pretenses. The arrest was made. On examination, the solicitor agreed to return the checks if the warrant were withdrawn. This Mr. Barbee refused to do. In appearing before the police court, the solicitor agreed through his attorney to enter a plea of guilty, pay a \$25 fine and return all the checks to the local subscribers and leave the city. This accomplished, Mr. Barbee immediately got in touch with the chambers of commerce throughout the country warning them all against the scheme.

Commenting upon this instance, J. H. Beek, secretary of the National Industrial Traffic League, advises that business houses subscribe no money to mileage book schemes represented by solicitors. He says that the National Industrial Traffic League, chambers of commerce and legitimate traveling men's organizations are organized to handle matters of this kind effectively.



Some folks are unconventional only at conventions.

cCc

The motto of the Genoa Conference seemed to be "Let George do it."

cCc

Many failures are directly caused by too much invent in the inventory.

cCc

If the coal strike continues, Kipling may well revamp his Vampire to read, "A Fuel There Was."

cCc

Some firms, particularly mail order houses, have a form letter for the purpose of smoothing their customers' feelings, known as the "bed-bug letter." The significance evidently is that it keeps their customers up to scratch.

cCc

Many nations, in trying to reduce national expenditures, find that after once drafting a budget, they can't budget.

cCc

In view of the phenomenal sale of Eskimo Pie, which by reason of the large consumption of cocoa, is putting Ecuador on its feet, it will no doubt be perfectly proper for Ecuadoreans to refer to Americans as pie-eyed Yankees.

cCc

The economic principle of the Soviet's recommendation that the whole world become Bolshevized is undoubtedly that fifty nations can starve as cheaply as one.

There was an earnest credit man who did his very best;
His bad debt losses always ran 'way under all the rest;
He didn't watch the clock all day, but stuck right to his work,
And when an extra job came 'round, he never tried to shirk.

But do you think the soulless firm for which he toiled and slaved
Appreciated what he'd done and fittingly behaved?
And when he'd saved them thousands by sitting on the lid,
D'ye think they showed their gratitude?—you bet your life they did!
—They gave him a two dollar raise.

Our Own Credit Lexicon

CHECK.—The answer to a Credit Man's prayer. A small piece of paper arriving (maybe) in the mail, the anticipation of which makes every day Christmas for the C.M.—and sometimes hangman's day after the mail arrives. Checks, like eggs, are either good or bad. Bad checks are usually drawn by bad eggs. Q.E.D.

DEPRESSION.—High-brow name for hard times. The bottom of depression is sometimes so deep that crude persons feel justified in declaring that their businesses are located in the tropical climate where all the bad little boys go.

DISCOUNT.—A rebate given to a consignee for paying up in ten days. (N.B. He usually takes it anyhow, and pays when he darn pleases.)

DUN.—A form of letter of which every C.M. has the best in the world, sometimes it brings in the money, but never fails to gather bits of

unique sarcasm and odd profanity which are later used to good advantage in conversation at credit men's luncheons.

FRAUDULENT FAILURE.—Any failure of any merchant which has stuck any C.M. (Ask "Zephon.")

PROSPERITY.—Something that business in the Spring will surely enjoy in the Fall, and in the Fall will unquestionably enjoy in the Spring, and in the Spring without a doubt, etc. ad infinitum.

RECEIVER.—A person whose hands are the only part of his anatomy ever mentioned. The palms are usually upward and out. He is the captain of the ship upon which wobbly concerns are loaded and supposedly headed towards smoother seas. For some reason, the good ship often goes down with all hands—except the receiver's.

B. B. T.

The Credoscope

REPRESENTATION WITHOUT TAXATION



J. H. TREGOE,

National Assn. of Credit Men
Secretary-Treasurer

THE AMERICAN colonists lifted the cry against the mother country of taxation without representation. Now, strangely enough we have entered a period where protest can rightfully be made against representation without taxation when one part of the community fixes the burden to be carried by another without itself bearing a just share. Those contributing but little

if anything to the financial burden of the Nation are shaping its policies and demanding a direction of its affairs, perfectly content so long as they can continue to avoid the burden themselves. The large increase of taxation calls for more system and scientific study in the raising of the necessary sum, so that all may feel that they have a part in paying the expenses of the Government, in the direction of whose affairs they have a part. It is easy for the fellow who has had no part in paying the bill to demand vociferously that certain allowances and contributions shall be made for this or that cause for which he presents strong argument. We cannot but feel that in many of our municipalities the recent spirit of extravagance, which this evil of representation without taxation encourages, has found vent in the appropriation of large sums for improvements that may be met eventually by the generations who shall not enjoy them.

We cannot be too alert in this subject. We are rapidly reaching the danger point. Unless we stick close to the old principle of taxation with representation, our ways in the future are to be made difficult and the burdens upon capital crushingly heavy.

GETTING THE NATIONS TOGETHER

THOUGH COMMON sense, self-interest and the general welfare suggest co-operation, the three deadly P's,—pride, prejudice and perversity,—often enter to keep men apart. And particularly do these three deadly P's operate to keep nations apart and work against the peace and happiness of the world.

The Genoa conference is one of the most striking events of these latter days. Its greatest significance rests upon the fact that for the first time since the Armistice, allies and neutrals have sat down with

Germany and Russia in conference. Reports drifting through from correspondents are not sufficiently photographic of the currents and cross-currents coursing swift and deep through this conference, but we can sense racial tendencies and the pride, prejudice and perversity which keep men apart.

The communistic experiment in Russia has not lived up to the dreams of its exponents. It has been found that dreams evaporate before natural laws. Personal initiative based on private property is the token alone of national progress. The Soviet delegation, like the man who has nothing to lose and much to gain, presented a seemingly fearless front; other countries blustered and threatened. But all know that only through conferences like this can progress be made.

Genoa is but the door-step to some bigger event, when the merely political consideration of nations have been brushed aside, when there will be nothing before the nations represented but the restoration of economic stability and the saving of Europe from its unbalanced budgets, inadequate taxation, fiat monies and the abandonment of the gold standard.

We are much concerned in the economic form of conference. We can have nothing to do with the purely political aspects of Europe. This was the real meaning of President Washington's admonition to keep from entangling alliances. We cannot, however divorce ourselves from the economy of Europe, nor, as a matter of fact, of any part of the world, because the prosperity and depression of our neighbors inevitably reacts on our condition. Famine and want and paralysis among our neighbors is felt by us.

Genoa surely has had its place in the working out of international problems. It was not such a brilliant success, perhaps, as the conference in Washington on the Limitation of Armaments. But it must be remembered that its program and problems were more extensive and pressing than those of the Washington conference. Results will come out of the Genoa conference even though the results be smaller than we hoped, yet Genoa brought together some of the leaders of Europe and the result will be to restrain some of the tendencies that have been menacing peace.

HURTING THE OTHER FELLOW

THE MERCHANT'S friendship is won through the granting of indulgences. This is the viciously wrong principle upon which so many credit men base their decisions. They do not stop to think that the permanent basis of good will is downright honor

and fairness and that an undue leaning in favor of the customer is construed as flabbiness, good neither for the creditor nor the debtor.

Spare the rod and spoil the child is proverbial. As you handicap the child by your over-indulgences and caresses, so you handicap the young merchant by your easy-going treatment of his breaches of good business practice. If we could but know how many merchants have been drawn on the rocks by the song of the siren of over-indulgence, we would be mortally ashamed every time we acted in disregard of the laws of high honor and fairness. The way to do good to the business of the world is to hold tight to contractual obligations and by example and precept defend them. Not that favors are not to be extended, but they are not to be granted offhand as though they were something the debtor was entitled to.

The open book account makes the temptation to over indulge. Payday has by custom under this system been made so indefinite, that a few days later than due date, so custom has suggested, does just as well. But this sort of indulgence does not make merchants, it ruins them. It never transforms the potentially good merchant into an actually good one. We do that by emphasizing the sanctity of the contract and by making favors not matters of course but real favors given for sound reasons and appreciated as such.

Credit men are critical of failures, but a large portion of them may be laid at the door of the credit department. There should be an awakening to the fact of the wrong the department is doing, largely through over-indulgence. In real business service, such as the National Association of Credit Men is trying to establish there is no place for the over-indulgence of customers.

COMMERCIAL ENGINEERING

THE LABORATORIES devoted to the physical sciences have yielded to persuasion and hard effort important and useful discoveries. The credit laboratory is doing the same thing, and oftentimes we are surprised at the discoveries that are made in the credit laboratory. The credit manager who is not taking advantage of these discoveries and constantly adding to his skill by knowing a little more of this or that relating to his work, will fall back in the field and not do justice to his profession.

Measuring the credit capacity of an enterprise involves difficult and intricate points. It is not merely the spirit and character of its principals that is to be considered but the question is always present, "Does the enterprise, despite its other factors for success, lack something which entitles it to live?" The determination of this point,—that is, the right of a business enterprise to live,—may be termed "Commercial Engineering." It brings a new idea into the credit field, but the manager of a credit department with wide interests must know something about com-

mercial engineering if he is to avoid losses and help build up sound customers.

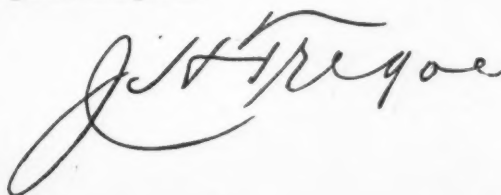
Take this illustration. In the hectic days of business when the actions of men were not well under the control of common sense, an enterprise was organized with a capital of a million and a half dollars. It was not possible to bring down a balance in a bank unless this enterprise distributed at least two and a half millions annually at reasonable profit. Now the commodity produced in this plant was used in limited quantities—indeed, the whole world would absorb not much more than two millions and a half annually, yet there were ninety other enterprises in our country producing the same commodity. Failure, with serious loss to shareholders and creditors, was as certain as anything could be.

Measuring such a project as to its right and capacity to live is commercial engineering. Enterprise upon enterprise fail because economic laws have either been violated or neglected. Commercial engineering should have helped in anticipating this result.

Take in illustration also the number of concerns which started up over night in the immediate post-war years with an overhead which normal times could not sustain. A credit manager with the proper commercial engineering skill would not have been contented to measure the present but would have measured this enterprise by its abilities to stand the conditions of the future, when inordinate or unusual profits would be transformed into normal or sub-normal profits.

Credit managers do not always measure an enterprise as they should in the terms of its right to live, yet this is a most appropriate question in measuring the future of a credit risk. Narrowness of the credit vision gives way under the pressure for broader vision wherein the skill is measured not alone in terms of the present, but in terms of the future. The features entering into the success of a business enterprise are multifarious and yet there should be means of getting information on all of them for those who pretend to measure the credit capacity of an individual or a combination of individuals embarked on a business enterprise.

Time given to careful reflection is one of the best assurances of progress in credit work. Unless we think and study, each day's duties dry up our resources and we become stale. Some knowledge of commercial engineering should be included in the skill of credit departments, not alone for their safety but to keep enterprises out of projects in which they may not hope to succeed, and to help bring men into congenial enterprises.



Credit Leaders and their Work



Albert R. Taggart

B., 1874, Marion, Mo. M., 1908. Ed. State Normal, Warrensburg, Mo.; law and accounting course, Pace & Pace. Baptist. Member, I. O. O. F. Recreations, baseball, tennis and quilts. Favorite reading, CREDIT MONTHLY, Credit Man's Diary, business magazines, books on credit and collections, etc. Bus. addr., The Sherwin-Williams Co., paints and varnishes, Kansas City, Mo.

Taught school for 7 years; worked in general store as clerk and bookkeeper and in the same capacity for Morris & Co., Kansas City. In 1906 became connected with The Sherwin-Williams Co., Kansas City as bookkeeper, chief clerk, etc., and in 1916 was transferred to Indianapolis, Ind., as store credit manager. Is now chief clerk for the Indiana sales division, handling credits auxiliary to the Chicago credit department.

Active in local association work and now serving second year as director and chairman of Educational Committee of Indianapolis assn. Is on Reception Committee for National Convention in June 1922.



John D. Meek

B., 1868, Newton, Iowa. M., 1905. Ed., high school and business college. Member Central Christian Church, K. of P. Lodge, Masonic Fraternity, Credit Men, Electric. Recreations, automobiling, walking, fishing and golf (fever). Fa-

vorite reading, CREDIT MONTHLY, National Geographic Magazine, Literary Digest, daily papers. Bus. addr., Indianapolis Electric Supply Co., Indianapolis, Ind.

After leaving school employed as assistant bookkeeper by retail dry goods company; with them 10 years. Besides assisting with bookkeeping, became advertising manager and also had charge of correspondence; wrote all letters long-hand. After taking a business and commercial course made a connection with wholesale furniture house. Has been working in wholesale credits for the past 30 years.

Became member of Indianapolis assn., soon after it was organized and has served on various committees. Pres. for one term. In the membership campaign of 1916-17 was chairman of National Convention.



Oscar E. Lewis

B., 1860, Medamora, Ind. M., 1892. Ed., high school and University of Hard Knocks. Christian Scientist. Member, Indianapolis Chamber of Commerce, Travelers Protective Assn., Hoosier Motor Club, Indiana Mfgs. Assn., Merchants & Mfgs. Insurance Bureau, Associated Employers of Indianapolis, Casket Mfgs. Assn. of America, Rotary Club and Masonic and Knights of Macabees Lodges. Has no time for recreation. Favorite reading, current periodicals and newspapers. Bus. addr., Indianapolis Casket Co., Indianapolis, Ind.

Shoveled mud with street cleaning gang as a boy at Shelbyville, Ind. Taught district school for 3 years. Clerked in grocery store for 3 years. Conducted own grocery business 12 years. Manufactured farm gates 2 years; was postmaster at Shelbyville, Ind., from 1902-1906. Became sec.-treas. of Indianapolis Casket Co., when organized in 1908 and still holds that position.

Forced to be interested in credits when selling groceries, postage stamps and caskets to the public. Joined the Indianapolis assn. in 1919. Director for 1919-1920, also member of Resolutions and Commercial Arbitration Committee. Member of Indiana State Legislative Committee 1920-21, also chairman of local Legislative Committee; member of Finance Committee and chairman of Decoration Committee for 1922 National Convention at Indianapolis. Second vice-pres. 1921-22.



Franklin L. Bridges

B., 1878, Indianapolis, Ind. M. Ed., high school graduate, one year at Indiana Univ. and one year at Butler Univ. Member, Mason, Mystic Tie Lodge, Past Commander Commandery No. 1 K. T., Murat Temple, Chamber of Commerce, Kiwanis Club. Recreation, activities in civic, fraternal and social organizations. Favorite reading, current magazines and historical novels occasionally. Bus. addr., Bridges-Dickinson Co., general insurance, 821 Lemcke Bldg., Indianapolis, Ind.

Was in real estate business 7 years; bookkeeper, State Life Insurance Co., 18 mos.; sec. and sales mgr., American Computing Co., manufacturing computing cheese cutters, for 5 years; Supt. and purchasing mgr., publishers 4 years; Adjutant General State of Indiana, 3 years; pres. and gen. mgr. Bridges-Dickinson, general insurance agents 4½ years.

A director Indianapolis assn. 1920 to 1921. Chairman Reception Committee for National Convention, June 1922 in Indianapolis.



Carl W. Steeg

B., 1885, Greencastle, Ind. M., 1913. Ed., high school business and law in night school. Member, Christian Church, Chamber of Commerce, Athletic Club, Scottish Rite and Shrine. Recreations, automobiling and golf. Favorite reading, CREDIT MONTHLY, trade papers, etc. Bus. addr., Hugh J. Baker & Co., struc-

tural engineers and building material, Indianapolis, Ind.

Spent 7 years with large laundry company, beginning as office boy, advancing to general manager which position was held for last 2 years with the firm. Purchased bankrupt laundry and operated it for 6 years; then sold it. For past 3 years has been connected with Hugh J. Baker & Co., as treas., handling finances, credits and collections.

During past years has held various committee positions. At present is a member of Administrative and Finance Committee, Business Meetings Committee and the Attendance Committee, of the Indianapolis assn.



William W. Maish

B., 1861, York, Pa. M., 1883. Ed., high school at Des Moines, Iowa. Episcopalian. Member, Capital Lodge 110 A. F. & A. M., Corinthian Chapter 14 R. A. M. Alpha Council 1 R. & S. M.; treas. of all three Masonic bodies; Kiwanis Club director for last two years; Chamber of Commerce. Favorite reading, CREDIT MONTHLY, Geographical Magazine, books on travel and out-of-doors. Recreations, enjoys nature, spending as much time as possible in woods with the birds and plants. Bus. addr., Hippee-States Co., jobbers automobile accessories and equipment, Des Moines, Iowa.

On finishing high school had a chance to go to college or to accept a position as messenger in the Iowa Natl. Bank. Found it difficult to decide, but finally took bank job. Went to Colorado as cashier of Bank of St. Elmo in a small mining camp in the mountains. Later moved to Denver and engaged as bookkeeper and credit man in a wholesale confectionery concern. When business was incorporated was elected sec.-treas. of Hewitt Candy Co. With this house for 13 years. Returned to Des Moines 1901, to become paying teller of Des Moines Savings Bank. In 1919 was elected asst. cashier Citizens National Bank. Resigned in 1916 to organize with others the States Auto Supply Co., which concern was merged in 1917 with the Hippee Motor Supply Co., into the Hippee-States Co., has been sec.-treas. of this concern ever since.

Helped organize Denver Credit Men's Assn. An exchange of ledger information between members was later established. On return to Des Moines, joined Des Moines assn. as representative of bank. Many years on committees and board of directors. Elected pres. of Des Moines assn. last year. Delegate to last five national conventions. Last year at San Francisco was member of the Nominating Committee.



Robert C. Bonner

B., 1877, Indiana. Ed., high school. Presbyterian. Member, Indianapolis Athletic Club, vice-pres. Indianapolis Better Business Bureau and Indianapolis Optimist Club. Recreations, reading, music and theatre. Favorite reading, best periodicals, business magazines, and occasionally some of the old masters Balzac, Hugo, Dumas, Dickens, D'Annunzio, Geo. Ade, Hawthorne and Poe. Bus. addr., L. S. Ayres & Co., department store, Indianapolis, Ind.

After leaving high school went into bank, first at Evansville, Ind., with Old State Natl. Bank, then Indiana Natl. Bank at Indianapolis. For 18 years has been credit manager of L. S. Ayres & Co., largest department store in Indiana.

Has been director (4 years), vice-pres., pres. and especially active on Membership and Entertainment Committees of the Indianapolis assn. Member of General Convention Committee, vice-chairman of Entertainment Committee for Convention in June 1922.

Henry Knaff

B., 1879, Belgium, Wis. M., 1905. Ed. common school. Member, Knights of Pythias, Marion Club, Chamber of Commerce. Recreation, automobiling. Favorite reading, good magazines. Bus. addr., Merchants Heat & Light Co., Indianapolis, Ind.



Left the farm at the age of 22 and was employed as station agent and telegrapher for Chicago, Milwaukee & St. Paul Ry., 1901-08. Auditor for Menominee & Marinette Light & Traction Co., Menominee, Mich., 1908-14. Auditor and sec. for Merchants Heat & Light Co., Indianapolis, Ind., since 1914.

Joined the Indianapolis assn. in 1915. Member of Board of Directors, Publicity and Business Meetings Committee, captain of "Odds" attendance contest for bringing members to meetings.



Edward Weter

B., 1879, Rochester, N. Y. M., 1904. Ed., high school, business school. Presbyterian. Member, Rochester Club, Rochester Chamber of Commerce. Recreations, fishing, automobiling. Favorite reading, CREDIT MONTHLY, Literary Digest, Saturday Evening Post, American Independent, etc. Bus. addr., Yawman & Erbe Mfg. Co., filing devices, Rochester, N. Y.

Engaged by Yawman & Erbe Mfg. Co. 1897, as bookkeeper. Organized credit dept. 1902. Took charge of credits and collections. Elected asst. treas. Oct., 1919. Elected treas. Jan., 1922.

Sec. Rochester Credit Men Association for 14 years; pres., 1921-1922.



Arthur J. Murray

B., 1872, Ohio. M. Ed., common school and business college. Methodist. Member, Lodges, Stephen Decatur, A. F. & A. M., Macon Chapter No. 21 R. A. M., Beaumanoir Commandery, Springfield Consistory, Ansar Shrine, Kiwanis Club. Recreation, automobiling. Favorite reading, CREDIT MONTHLY and history. Bus. addr., McClelland Grocer Co., Decatur, Ill.

Credit man for National Grocery Co. until 1914. Started with McClelland Grocer Co. March 1914, a new company of which he is sec.

Organized Decatur Assn. of Credit Men, pres. 4 years and is active in association work.

Talk on Federal Reserve

Allentown.—The Federal Reserve System was the subject of Prof. Ezra Bowen's address before the Lehigh Valley association recently. Prof. Bowen is from Easton, Pa. C. E. Sigfried read the address which he delivered at the State Conference on mercantile reports.

Evolution in Handling Credits

Amarillo.—M. E. Garrison, manager of the Wichita association, recently addressed the newly organized Amarillo association on "Evolution in the Handling of Credits." He pointed out that in the financial disturbance of 1893, one concern in every seventy had failed; and it was this that prompted the forming of the National Association of Credit Men which took out its charter in 1896. He told of the organization of the Wichita association, how closely it was affiliated with other organizations in eight cities in its immediate vicinity and how its 103 members were joined closely together for their interchange bureau.

Describing adjustments of failures in the Wichita market he told how a trustee in bankruptcy under the code of ethics of the Wichita association becomes a trustee for the debtor as well as for the creditor, and that at the time he was speaking he was trustee in about 100 cases. He has handled over \$5,000,000 in friendly liquidations in the past seven years. He declared that in the past twelve months if it had not been for the leadership of the National Association of Credit Men, every creditor would have gone "to get mine first" with the result that the entire country would have been thrown into a panic.

Boston Association 25 Years Old

Boston.—Its twenty-fifth anniversary was celebrated recently by the Boston association with a largely attended meeting and a dinner at which the speakers were Edward James Cattell, of Philadelphia, and the Rev. Vincent E. Tomlinson, of Worcester. The meeting did great credit to Oscar T. Erickson, chairman of the committee on arrangements and his able assistants. Officers for the ensuing year were chosen as follows: Pres., Edward L. Harris, Swift & Co.; 1st vice-pres., O. T. Erickson, Carter's Ink Co.; 2nd vice-pres., F. W. Bourne, Jennings & Co., Inc.; and sec., H. A. Whiting.

Summons for Bridgeport Members

Bridgeport.—Invitations for the recent meeting of the Bridgeport association held at the Seaside Club, were sent out in the form of a subpoena. Hon. John Keogh, Referee in Bankruptcy of the District Court of the U. S., for the Federal District of Connecticut, gave the principal address, explaining in detail the workings of the bankruptcy law. E. G. Bric, manager of the National Membership Department, was present and urged the support of members in the membership drive.

The newly elected officers of the association are pres., Willis B. Coleman, R. G. Dun & Co.; vice-pres., George L. Moore, West Side Bank; sec., Daniel A. McCarthy, Miner-Read & Tullock; and treas., Arthur C. Macy, Raybestos Co.



Silas J. Whitlock

B., 1865, Canada. M., 1891. Ed., grade school and College of Hard Knocks. Methodist. Member, Royal League, Hamilton Club, U. S. Chamber of Commerce, Chicago assn. of Commerce, Men's Club. Recreations, auto-mobiling and golf. Favorite reading, history, leading magazines and credit publications. Bus. add., Belding Bros. & Co., sewing silks, 201 W. Monroe St., Chicago, Ill.

Worked 3 years as dry goods business clerk in Canada; billing wholesale dry goods, 2 years, in Cleveland, O.; bookkeeper and cashier, 2 years, J. H. Walker & Co., Chicago, Ill. With Belding Bros. & Co., 35 years; started as city bookkeeper; has had charge of accounts and credits; now manager.

Elected a director of Chicago assn. 1906, second vice-pres. 1907, pres. 1908-09. Re-elected director 1909 and has served ever since, but will retire after May 1922 election. Elected a director of National Association 1912, first vice-pres. 1916-17, pres. 1917-18. A director 1918-21.

Convention Invitation from Buffalo

Buffalo.—The recent dinner meeting of the Buffalo association was particularly interesting and important, writes Sec. H. C. Ferrell. National Sec.-Treas. Tregoe gave an inspiring address and Rev. G. A. Papperman talked on "The Law of Mutual Aid." He proved that the community which has the largest number of sympathetic members is the one that thrives the best; selfishness does not make for prosperity, but helping one another does.

A very important feature of the evening was the unanimous vote to invite the National Association to hold its 28th Annual Convention in Buffalo. The fourth convention of the Association was held in Buffalo, which is a popular convention city, partly on account of Niagara Falls.

Local Supporter Dies

Burlington.—The National Association of Credit Men had no more enthusiastic supporter than Smith F. Henry, Vermont Hardware Co., Burlington, Vt., who died suddenly April 12 in the office of the company which he had founded and of which he had long been president. He will be greatly missed in civic and religious circles in which he had been long active.

Burlington Re-elects Officers

Burlington.—At the recent annual meeting of the Burlington, Iowa, association Prof. O. E. Klingaman, head of the Business Extension Division of the Iowa State University, was the principal speaker. He gave an instructive address on certain phases of retail business which had been investigated by his department. Don E. Neiman, manager of the Central Iowa Credit Interchange Bureau, Des Moines, was also present and in a short address explained the purpose and operation of the Bureau. C. L. Cousens, Des Moines, gave a few recitations and told of some experiences in connection with the Interchange Bureau.

E. G. Koonz and Walter Holsteen were re-elected president and vice-president; Carl Dwight was elected treasurer. The Executive Committee elected is as follows: Charles Wehmier, A. L. Biklen and C. F. Sutor. The meeting was the largest and most enthusiastic ever held and the association is going along finely, writes E. G. Koonz, John Blaul's Sons Co.

Chicago Ladies' Night

Chicago.—"Personality and Knowledge of Character" was the subject of a talk given by William Windsor, L. B., Ph. D., before the Annual Ladies' Night meeting of the Chicago association. The address was preceded by a dinner at the Hotel La Salle. There were special entertainment features during the dinner and afterwards there was dancing.

The April forum meeting of the association was held at the Hotel La Salle with Prof. Homer B. Vanderblue, of Northwestern University and Frank Waller Allen specialist in Business Psychology, as the principal speakers. The former talked on "The Economics of Organization," the latter on "As a Credit Man Thinks."

Des Moines Delegates

Des Moines.—Ninety-four enthusiastic credit men attended the regular monthly meeting of the Des Moines association held at the Harris Emery Tea Room, writes L. W. Olson, L. Oransky & Sons. Election of these officers for the ensuing year took place: Pres., A. H. Edwards, treas. of American Litho & Printing Co.; vice-pres., L. H. Robinson, Pratt Paper Co.; and sec-treas., Don E. Meiman, Adjustment Bureau.

Eleven delegates were chosen to attend and report on the 27th Annual Convention at Indianapolis. Ex-pres. W. W. Maish presented a plan for increasing the membership and a campaign committee was formed to make a drive for new members.

D. R. Thomas, Central Western Credit Association at Minneapolis, gave an instructive and valuable talk on credit and collection methods based on co-operation.

Evansville Banking Members

Evansville.—Fred Bernhardt, Citizens' National Bank, and a member of the Banking and Currency Committee of the Evansville association, was in charge of the program on collection of checks by banks, at the regular noon meeting of banking members of the association. The following gave five minute talks: Fred Bernhardt, on operation of the local clearing house; C. H.

Ayer, on rounding meier, on the Federal nutt, on w to protes Schnell, o a savings

Pres.

Fort W dent, Wal cent dinn association for their president. president, gave a ve the new and Grace reading. Casting the 27th June 6 to Joseph Members! I Get M Parry ex mortgage eral disc teresting picnic is meeting, Rose B.

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Cle meeti

Ayer, on collection of checks in the surrounding territory; Walter H. Jurgensmeier, on collection of checks through the Federal Reserve System; B. S. Alnutt, on why it is necessary for banks to protest checks; and August H. Schnell, on the handling of checks in a savings bank.

Pres. Butler Takes Chair

Fort Wayne.—The outgoing president, Walter Close, presided at the recent dinner meeting of the Fort Wayne association, and thanked the members for their co-operation while he was president. Stanley L. Butler, the new president, was then introduced and gave a very good address on plans for the new year. The Misses Irene Steiss and Grace Sell delivered a dialogue and reading. C. E. Stephenson, Metallic Casting Co., Indianapolis, reported on the 27th Annual Convention to be held June 6 to 9.

Joseph F. Miller, chairman of the Membership Committee, talked on "How I Get New Members." Sec. Arthur Parry explained the use of the chattel mortgage. This brought about a general discussion which proved very interesting and instructive. An annual picnic is being planned for the June meeting, writes special correspondent Rose E. Ueber.



Walter F. Close

B. 1877, Sandusky, Ohio. M., 1901. Ed., public schools, Fort Wayne Business College. Member, Grace Reformed Church, Masonic bodies including Shrine, Y. M. C. A., City and County S. S. Assns. Recreation, walking. Favorite reading, business magazines. Bus. addr., S. Freiburger & Bro. Co., wholesale leather and children's shoes, Fort Wayne, Ind.

After school went to work as office boy and general assistant to shipping clerk in wholesale produce and seed house. Later became assistant bookkeeper and had charge of city collections. Left this concern to become bookkeeper for a wholesale saddlery house for 10 years. Has been connected for past 14 years with S. Freiburger & Bro. Co., having charge of salesmen and credits at this time.

Became a charter member of the Fort Wayne association. Served on several committees including chairman Membership Committee. Elected director and vice-pres. April 1920, and pres. April 1921.

Busy Cleveland

Cleveland.—At the annual dinner meeting of the Cleveland Chapter of

the Robert Morris Associates of the National Association of Credit Men held at the Hotel Statler, May 4, an address was made by Sec. Alexander Wall, of the Associates, who was guest of honor. Pres. William Tonks, (Union Trust Co., Cleveland) of the Associates, was also present. Officers elected for the Cleveland chapter for the coming year are: Pres., C. B. Reynolds, National City Bank; Vice-Pres., F. J. Zurlinden, Federal Reserve Bank of Cleveland; Sec., W. F. Copeland, Union Trust Co.; Treas., Fred J. Greiner, Pearl Street Savings & Trust Co.

The debating team of the Public Speaking Class of the Cleveland association won its second successive annual debate on May 3 at the Hotel Statler in joint debate with the Rhetors Club, a leading public speaking organization. The subject was the Soldiers' Bonus. The credit men spoke for the bonus. The credit men's victory was achieved by E. R. Beckley, The Union Trust Co.; J. D. Beale, Pompelan Mfg. Co.; and N. A. Boyle, Werner G. Smith Co.; with W. M. Cook, Warner M. Bateman, as alternate. Each speaker had ten minutes for presenting his initial arguments and five minutes for rebuttal. Non-partisan judges were used and the event conducted under collegiate debating rules. R. A. Swink, former instructor in debating at Ohio Wesleyan University, coached the winning team. He has been instructor of the credit men's public speaking class for two seasons. The winning team received an ovation at the annual meeting of the Association, May 10.

Ladies' Night was observed by the Cleveland association in connection with its annual meeting. After dinner the board of trustees was elected. Then came a musical program and brief remarks by B. B. Tregoe, manager of the Foreign Credit Dept. of the National Association. Dancing followed.

The Cleveland association has mailed to each of its members a copy of the Ohio Bulk Sales law, printed by the National office. This law was put on the statute books by the Ohio associations and successfully defended by them against three successive attacks in the Ohio Supreme Court.

The speech of U. S. Senator Atlee Pomerene delivered before the Cleveland association recently on the subject of the "Great Lakes-St. Lawrence Waterways Project" has been printed in the Congressional Record and mailed to each member of the association.

National Sec.-Treas. J. H. Tregoe was the guest of the Cleveland association April 17 and addressed an evening meeting of the members at the Hotel Statler Ball Room. He also met the board of trustees at a noon luncheon. He then accompanied the Cleveland delegation of 75 which went in three special Pullman coaches to the state conference at Toledo on April 18, and returned with the Cleveland crowd the next night, going with a party of Cleveland members on the evening of April 19 to Akron where he spoke before the newly formed Akron Credit Club at a well attended meeting in the Akron City Club.

The Economics Class, a reading group of the Cleveland association, held its final meeting of the year on May 19. This group of 30 members has met semi-monthly all winter with excellent results. Members have taken turns in leading the discussions. Material supplied by the National Insti-

tute of Credit of the National Association of Credit Men has been used.

W. H. Minkin, an officer, and Harry H. Critchfield, a bookkeeper, for the defunct Eagle Electric Co., were found guilty of using the mails to defraud by a jury in the U. S. District Court at Cleveland on April 13 and sentenced by Judge D. C. Westenhaver on April 15. Minkin was given one year and one day in the Federal prison at Atlanta and Critchfield sixty days at the workhouse at Warrensville. The prosecution by E. C. Wertz, U. S. District Attorney and his staff, was assisted by members of the Cleveland association in the electrical trade who were defrauded out of several thousand dollars in the failure of the Eagle Electric Co. Evidence included a financial statement sent by the company's officials through the mails to a mercantile agency on the basis of which credit was obtained by false representations.

The Cleveland association celebrated National Membership Day on April 27 by conducting a "fox hunt." Each member became a "fox hunt." Each member became a "hound" and each prospect was a "fox." At a round-up dinner at the Hotel Winton that evening 20 new applications were reported. Prizes were awarded to individual and team contenders who made the best showing.



J. Benton Davis

B. 1875. Ed., grammar and high school. Congregationalist. Recreation, automobiling and theatre. Favorite reading, Literary Digest, CREDIT MONTHLY, Credit News, weekly of Cleveland Assn., Finance & Industry, Babson's Reports, American Business and National Acceptance Journal. Bus. addr., Ohio Body & Blower Co., steam specialties, Cleveland, Ohio.

Started 1893 with Strong Cobb & Co., wholesale druggists as office boy. Went with Bassett, Presley & Train, iron and steel dealers 1894, as general clerk. Was cost clerk for Otis Stell Co. in 1896 and appointed 1898 cashier and office manager. Began credit work at this period. With Van Swearingen Co., 1916-17. Joined Ohio Body & Blower Co., 1917, becoming active in credits, collections, finance and accounting.

Representing Ohio Body & Blower Co., became member of Cleveland assn. in 1917. Served on several committees 1917-18. Vice-chairman of Acquaintance Committee, 1918, and chairman of same committee, 1919; a trustee 1919 and 1920; elected first vice-pres. 1920 in charge of Adjustment Bureau; elected pres. 1921.



John C. Rugenstein

B., Indianapolis, Ind., 1889. M., 1910. Ed., common school, special night school and business college. Lutheran. Member, Hoosier Motor Club, Chamber of Commerce. Recreations, automobil- ing, bowling and theatre. Favorite reading, daily papers, American Maga- zine, CREDIT MONTHLY, and Sec. Treas. Tregoe's monthly letter. Bus. addr., Indianapolis News, 30-32 W. Washing- ton St., Indianapolis, Ind.

During his school days began his business career by holding such outside jobs as tending furnaces, cutting the grass, and distributing samples of washing powder. During latter years of his school course was the owner of an extensive paper route, where he learned the rudiments of salesmanship, bookkeeping and record keeping. On leaving common school entered the of- fice of Indianapolis News as office boy, 1903. From that time has held various positions in the several divisions of the newspaper. In 1910 assumed charge of the advertising service collections, and in 1915 he was made office and credit manager.

Joined Indianapolis assn., 1916. In 1918 was elected a director. In 1919 represented assn. on the 1919 Indiana Council and elected State Chairman; re-elected director, 1919, elected 1st vice-pres., 1920, and, 1921, was made pres. of Indianapolis assn.

Boy Scouts Build Character

Indianapolis.—The Boy Scouts oc- cupied the thoughts of the Indianapolis association at their recent noon meet- ing, when F. O. Belzer of the Indianapo- lis Boy Scouts was the speaker.

He pointed out what it means to de- velop character in boys at an early age, declaring that if business is to be bet- ter it must be recruited from boys whose characters have been strengthened by the right sort of contacts. The Boy Scout idea, he said, realizes that if a boy has not had the proper foundation laid for the establishment of character he is seriously handicapped in the world, and for that reason there is built up in the organization a vital regard for what is termed "Scout Hon- or." It is this element which gives the well trained Boy Scout an advan- tage over the boy who has not had the training.

Edwin Manouge, chairman of the Membership Committee, reported the ad- dition of sixteen new members as In- dianapolis' part in the celebration of "National Membership Day." V. L. Wright of the Indianapolis Credit In- terchange and Adjustment Bureau pre- sented the good news that 25 new mem- bers had been admitted to the bureau.

Commodity Prices Unequal

Indianapolis.—"Another Item of Cost Education" was the subject of a recent meeting of the Indianapolis association. The leader of the discussion, Henry Knaff, pointed out that the entire busi- ness structure of the country is a com- plete whole and that to pick out any given element as responsible for the problems of business is not practical or advantageous. The fundamental thing is that everybody do his part and create more work for all. Too many business men are still intoxicated with the great profits made during the war, and cannot see the advantage of a liqui- dation which will include their profits.

The producers of raw materials, he added, have taken their losses but when they face the necessity of securing their supplies they find that everything is out of line with what they get for their products. We must therefore reduce the price of everyday necessities to a level with the buying power of the dol- lar of the man who has had to accept liquidation. When everybody does this we are to enjoy the return of real prosperity.

Mr. Knaff showed by a chart the ex- isting inequalities of commodity prices. On this chart he presented among other facts, the tons of coal produced, the average selling price of the coal per ton, the average of production cost per ton and the average earnings of mine labor. The chart showed mine labor as having jumped from 100 per cent. in 1913 to 225 per cent. in 1922; that freight rates had gone up 250 per cent.; and that the selling price of coal had been reduced from the peak to 250 per cent. and that some of the mines were now operating at a loss; that mine wages had constantly increased but that wages of other trades as a whole were on the decline; that efficiency of labor which fell from 100 per cent to 60 per cent. is slowly recovering and had reached 80 per cent. of efficiency.



Arthur P. Stephenson

B., Portsmouth, Ohio, 1877. M., 1902. Ed., grammar and high school. Pres- byterian. Member, Optimist Club, Chamber of Commerce, Indianapolis Athletic Club. Recreations: golf, bow- ling, baseball and fishing. Favorite reading: history, American Magazine, CREDIT MONTHLY, and good fiction. Bus. addr.: The National Malleable Castings Co., Indianapolis, Ind.

Joined Cleveland Assn., 1913, and served on Board of Directors, and in 1919 was on Board of Directors of the Interchange Bureau of Cleveland assn. In 1920 joined Indianapolis assn. where he was 1st vice-pres. 1921-1922.



Everett C. Johnson

B., Indiana, 1875. M., 1905. Ed., common school, some high school, aca- demic and Butler College training. Methodist. Member, Board of Trade, Chamber of Commerce and the Athe- naeum. Recreations: automobil- ing and musical affairs. Favorite reading: business literature, fiction and poetry. Bus. addr.: Acme-Evans Co., 852 Wash- ington Ave., Indianapolis, Ind.

In 1898 entered the George T. Evans Co., as stenographer. Was appointed successively bookkeeper, traffic man- ager, office manager, purchasing agent, asst. treas. and treas. Since the posi- tion of office manager his connection has been with the Acme-Evans Co.

Has served on various committees of the Indianapolis Assn. In 1920-21 was a director. Is a member of the Busi- ness Meetings Committee, and of the Program and Financial Committees for the 1922 Convention.

Sales Departments Should Watch Their Lists

Great Falls.—Nobody is in better po- sition to note the inattention of busi- ness houses to their mailing lists than the man who is serving as assignee or trustee of defunct concerns.

E. R. Leonard of the Northern Mon- tana association finds that in handling estates in adjustment which go into liquidation, sales promotion depart- ments, even of concerns that were credi- tors, continue to mail circulars and let- ters soliciting business. He suggests that good order would lead credit de- partments formally to notify sales de- partments to scratch such names of the mailing list as they disappear from the business world. Good appearance, as well as good order, suggests that Mr. Leonard's message is worth attention.

Realistic Trial

Huntington.—A Mock Trial was fea- tured at the recent monthly meeting of the Huntington association. The meet- ing began with an excellent dinner served by the ladies of the Johnson Memorial Church. John Henry sang ac- companied by Mrs. E. V. Townsend; he then lead the gathering in a series of songs which put everyone in a good humor. Sec. Dennis McNeill, of the local Business Men's Association, spoke on the bad check evil. He took the credit men to task for encouraging this in any manner whatever and pointed out that if at the first offence it was made easy, before long the first offender would be a chronic offender. The as- sociation should get back of needed laws to rectify the conditions which at

the present had check a touch of was created local prosec Sheppard, v manner to c out a hitch, ington Who well known L. W. Blam Gibson (Pr Warth (At S. Potts (J. L. Patt Dement, ca Bank; and part.

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the present time make it easy for the head check artist.

A touch of reality at the Mock Trial was created by the presence of the local prosecuting attorney, Thomas R. Sheppard, who assisted in a very able manner to carry out the program without a hitch, reports M. S. Flynn, Huntington Wholesale Furniture Co. Other well known local attorneys took part: L. W. Blankenship (Judge), Philip P. Gibson (Prosecuting Attorney), H. C. Warth (Attorney for the Defence), H. S. Potts (Complaining Witness), and J. L. Patterson (Sheriff). W. H. F. Dement, cashier, Huntington National Bank; Erskine McClane, Ohio Valley Bank; and Secretary McNeill also took part.

Cross and Norvell Speak

Huntington.—National President Cross and Vice-President Norvell were guests of honor at an informal dinner given by the Huntington association. Mr. Cross in a delightful address spoke of the association members as friends and fellow-workers and brought a message of good cheer. It is his opinion, based on study of conditions, that business is on the upward trend.

Mr. Norvell outlined the coming National Convention and asked the members to help make this the best convention in the history of the organization. He also urged members to put their shoulders to the wheel on the membership drive just launched.

A Whale of a Baby

Johnstown.—Pointing out that character is one of the most essential factors to consider closely in extending credit, W. G. Hager, asst. cashier, U. S. Natl. Bank, talked on "Credit from the Banker's Standpoint" at a recent meeting of the Johnstown association. Financial statements should be obtained from mercantile agencies and other credit sources. At this meeting Roy G. Wertz, Edward Hahn Packing Co., presided and for the first time there were two credit women present representing firms that are association members.

Since the Pennsylvania-New Jersey Conference held so successfully in Johnstown, the Johnstown association is no longer a "baby" association but a "whale of a baby" association, writes our special correspondent.

Curtice E. Vandel

Kansas City.—Curtice E. Vandel of the Western Electric Company, Kansas City, died on May 4. He was one of the most respected and beloved members of the Kansas City association, and at one time represented his fellows on the Board of Directors of the National Association.

He was a staunch supporter of credit education and a pioneer in this form of association activity. Out of classes in credits and collections which he conducted for many years, came many suggestions for the teaching of credit and collection subjects, many of which have been adopted as standard in class work. Clearly, Mr. Vandel's place will be hard to fill.

Bethel Ends Successful Year

Louisville.—Luther C. Reynolds, Louisville Seed Co., has been elected president of the Louisville association, and Fred W. Edwards, Bush-Krebs Co., vice-president. The directors are W. A. Link, H. C. Tafel Co.; H. G. Lyon, Rob-

inson-Pettett Co.; C. B. Solomon, Harbison & Gathright; and P. B. Wallace, Laib Co.

Peyton B. Bethel, retiring president, summed up the year of his administration and reported that the deficit of \$1,000 at the beginning of his term has been replaced by a credit of \$1,000, and that the association will go to the National Convention with a membership of 305—18 more than its quota. He paid high tribute to the work of the Adjustment Bureau.

S. J. Schneider, retiring vice-president, reported on arrangements for transportation to the 27th Annual Convention by the "Credit Men's Special." William Smith, J. B. Speed Co., formerly a professional entertainer, sang several comic songs and entertained with a Happy Hooligan sketch.



George F. Lee

B., 1887, Absecon, N. J. M., 1905. Ed., public schools, Philadelphia College of Pharmacy. Master Mason, Methodist. Member, Rotary Club, American Chemical Society. Recreations, automobiling, farm life at summer cottage, 16 ml. from Johnstown, in the Laurel Hill Mountains. Favorite reading, trade journals. Bus. addr., Lee-Strauss Co., wholesale druggists, Johnstown, Pa.

Began as chemist with National Drug Co., Phila. In 1912 came to Johnstown, Pa., and organized Johnstown Chemical Co., wholesale druggists, which changed its name to Lee-Strauss Co. in 1918. Is sec. and gen. mgr. Lee-Strauss Co., director, First National Bank, Davidsville, Pa.; chairman of board, Pennsylvania Trust Co., Johnstown, Pa.; director, Johnstown Savings and Loan Co.

Organized Johnstown assn. February 1921 and is its president.

Par Collection Maintained in Kentucky

Louisville.—A Bill permitting state banks to charge exchange slipped through the Kentucky legislature before the Louisville association was awake to the situation. Immediately upon hearing of the measure the association made a campaign to persuade the Governor to veto it, and secured the assistance of the Louisville Clearing House Association and other groups of business men. The Governor gave the associations and groups a hearing with the result that he vetoed the bill.

The Louisville association, in a letter to the Governor, stated that the National Association of Credit men, of which the Louisville body is a part,

had been instrumental in having the Federal Reserve Act provide for the development of a par collection plan throughout the country, and that it would be most unfortunate for Kentucky to pass a law that would disturb that system of par collections. This system, which, through years of effort, the Federal Reserve Banks had been able to set up, had proved its value to the entire business community, because it is highly economical and advantageous in the clearing of checks.

In rendering this service the Louisville association not only deserves the appreciation of Kentucky business interests, but business interests of the Nation at large.

How to Build and Hold Membership

Los Angeles.—As chairman of the Membership Committee, H. I. Bremner has been able to lead his forces over the top and give the Los Angeles association the largest membership that it has ever enjoyed. Asked how this result was obtained at a time and under circumstances most difficult, Mr. Bremner gave these reasons for his success:

1. At monthly meetings every member is asked to write on the reverse side of his dinner card, the name of a firm which ought to be on the rolls of the association. This supplies a list of prospects better than could be had in any other way.

2. From the Chamber of Commerce is had a list of every manufacturer, wholesaler and jobber in the Los Angeles market. Against this the association membership is checked, which gives additional live prospects to work on. To each is sent a personal letter outlining briefly the activities of the association, inviting him into the membership and announcing that a member will call.

3. From the prospect list each regular attendant at meetings receives the name of one prospect, with the request that he give enough time to association work to see this prospect and sell a membership. A most effective method.

4. A list of the members receiving the names of prospects together with the names of prospects given is recorded. If no report is made, an explanation is asked for. This provides an effective follow-up.

5. Three prizes for the individual member bringing in the greatest number of applications within a stated period are offered.

6. To offset resignations received when bills for dues are sent out, a letter is written to accompany each bill outlining briefly the activities of the association, calling attention to the importance of the work and the importance of increasing membership, and requesting the member to send the name of a prospect when remitting for his dues. The object of the last request is not so much to get the name of the prospect as to make it embarrassing for him to send in a resignation. This method at once brought the flow of resignations almost to a stop.

It was found that the majority of the members themselves were not conversant with membership selling arguments and therefore at a regular meeting F. M. Couch and H. I. Bremner gave a highly instructive and amusing demonstration before the whole association of selling membership to a prospect.

Macon Ready for Great Things

Macon.—Manager A. F. McGhee writes that the annual meeting of the Macon association was most enthusiastic and the association is ready for great things. The newly elected officers are pres., Wilbur M. Collins, Dannenberg Co.; vice-pres., A. E. Bird, Jr., Citizens & Southern Bank; sec., J. Tom Dent, S. R. Jaques & Tinsley Co.; and manager and treas., A. F. McGhee. The directors, besides the officers, are T. G. Baker, Armour & Co.; Arthur Bernd, G. Bernd & Co.; H. F. Crawford, Happ Bros. Co.; J. D. Crump, J. B. Riley Drug Co.; John W. Roberts, Adams Bros. Co.; C. R. Sheppard, Empire Candy Co.; A. H. Small, The A. B. Small Co., and J. R. Winchester, Winchester & Moore Co.

If

Memphis.—It is rumored that "Backyard Tippling" who signs the following poem in the Memphis association bulletin is a credit man of prominence, wisdom and experience:

If you can keep your "5," although your rival
Is giving his away to worry you;
If you can nurse sick credits to survival
And beat the sheriff to the dead ones,
too;
If you can trust a bird when all men
dun him,
Yet make him pay his bills when they
are due;
If you can guess the day they'll start
to run him
And get his final balance ere he's
through;
If you can listen to the salesmen's
pleading
And pick the "one in ten" that rings
the bell,
And let the competition do the feeding
Of money into deals that never sell;
If you can bridge the Valley of
Depression
With figures that are black instead of
red,
You'll know that you have exercised
discretion
You'll know that you have really used
your head.

Instructive Dialogues Staged

Nashville.—Sec. R. E. Buckingham presented plans for increased attendance at meetings and also for a membership campaign, at a recent meeting of the Nashville association. Prizes are to be awarded members who secure the most new members.

A request for credit was staged at this meeting. J. E. Britt, Britt-Roberts Co., as a small dealer wanting credit came to Fred Thomas, credit manager. Mr. Thomas asked a good many pointed questions before granting the credit. Harry Robertson called on Thomas D. Steele to sell him a membership in the Nashville association. The performance gave the members new ideas as to how to approach a prospective member. Charles Reynolds as a prospective buyer of stoves was called upon by E. T. Nenon, Phillips-Buttort Co., who wanted to make the sale. Mr. Reynolds displayed a bad temper but the salesman succeeded in putting the deal across. President Weaver Harris was in charge of the meeting.

Hawkins Resigns

Minneapolis.—Wendall O. Hawkins, for eight years secretary of the Minneapolis association, has resigned and J. L. Brown has been elected to the office. Mr. Hawkins will be greatly missed by the members and has their best wishes. Fred B. Atwood, acting as spokesman for the association, informed the members at a recent meeting of Mr. Hawkins' resignation and expressed the regret of the association. The smooth-running organization of the association is chiefly due to the work that he has done and the assistance that he has given everyone. A handsome brief case and leather traveling bag were given to the outgoing secretary.



Gray Warren

B., 1874, Princeton, Ill. M., 1899. Ed., high school, Univ. of Minnesota evening classes, American Inst. of Banking (certificate holder), Alexander Hamilton Inst. Member, Knight Templar, Shriner, Elk and Minneapolis Golf Club. Recreations, golf, automobiling and credit association work. Favorite reading, CREDIT MONTHLY (reads each issue on day of its arrival), standard books, books on banking and economics. Bus. addr., Federal Reserve Bank of Minneapolis, Minneapolis, Minn.

Worked in father's law office one year, then employed as general clerk in bank in home town. Advanced within 3 years to cashier. Removed to Minneapolis and was with First National Bank of Minneapolis for 10 years. Shortly after its organization entered employ of Federal Reserve Bank as transit manager, organizing and developing its check clearing and collection department. During war had supervision of its Liberty Loan and Government Dept. and Fiscal Agency Accounting. Has been advanced from time to time and is now senior assistant cashier.

The Minneapolis Assn. of Credit Men asked the Federal Reserve Bank to designate some one connected with it to be a member of the association's Committee on Education, and Mr. Warren (being general utility man) was selected. Became associated with credit work in this way and has since served on various committees of the Minneapolis assn., has been on board of directors, vice-pres.; now pres. Has attended last four annual conventions of National Association.

Minot Elects Officers

Minot.—The Minot association has elected the following prominent men officers for the next year: Pres., C. D. See, Minot Sash & Door Co.; vice-pres., G. R. Van Sickle, Van Sickle Adjustment Service; and sec., E. A. Seefeldt, Stone Ordean Wells Co.

Intensive Membership Work

Milwaukee.—R. J. Dempsey, of the Weyenberg Shoe Mfg. Co., was elected president of the Milwaukee association at its May meeting. Other officers elected were vice-pres., E. N. Kullmann; treas., E. A. Reddeman; and sec-treas., Jas. G. Romer.

April 24 to 29 marked one of the most extensive and intensive membership campaigns ever put on by the Milwaukee association. In order to stimulate the drive for new members, the Board of Directors voted cash prizes in amount of \$525.00 to go to the three winning teams as follows: To the first two teams who secured the first and second largest number of new applications over ten, \$125.00. To the second two teams securing the third and fourth largest number of new applications over ten, \$100.00 each. To the single team securing the fifth largest number of new applications over ten, \$75.00. In addition to these cash prizes the Board authorized the Chairman of the Membership Committee to present each person on the single team who secures the largest number of applications over ten a hidden prize.

To enliven further the interest of the teams competing, various other members have donated prizes as follows:

Mr. Wiener, Phoenix Hosiery Co., presented the winning ladies' team with one-half dozen pair each of the famous Phoenix hosiery.

Oscar Matz offered two five pound boxes of Weber's chocolates to the ladies' winning team. Carl Engelke, American Exchange Bank, four savings account books with a credit of \$2.50 in each book.

Al Schoenecker, Chairman of the Holding Committee, offered two pair of Pullman slippers.

Mr. Belda, Milwaukee Journal, offered two six months' subscriptions to the Daily and Sunday Journal.

Miss Wood, a member of the winning ladies' team last year, offered a prize of Milwaukee Lace Paper Co.'s finest lace papers.

President Day offered a box containing several useful household articles acceptable to either a men's team or a ladies' team.

Mr. Dempsey, chairman of the Membership Committee, offered two pair of Weyenberg shoes for service.

Mr. Beamsley, Bradley Knitting Co., offered two Bradley bathing suits.

Mr. Haefner, Wm. E. Haefner Packing Co., not to be outdone by his fellow members offered two choice hams to the ladies' team and two choice roasts to the men's team.

The Board further voted that the five winning teams would be authorized to represent the local association as delegates to the National Convention at Indianapolis, June 6-9, without standing for election. The amounts of money which each winning team was to receive was decided upon after the expense of the Annual Convention was freely discussed. The amount which members of the first two teams will receive will be sufficient to defray their ordinary expenses while attending the Convention.

The desired goal of the Membership Committee is to be able to send the Milwaukee delegates to the National Convention with their full quota of six hundred. All that is necessary in order to do so is to secure 60 new applications.

BUSINESS CONSCIENCE

Those members who attended the last meeting of the association at the Pfister agreed that the speaker of the

evening, Henry H. Heimann, Kawner Mfg. Co., Niles, Mich., was not only a speaker of high merit, but a man who has a distinct message for the credit world. His talk was on Business Conscience, which, he asserted, is the ethical standards by which business is conducted. Although some are inclined to believe that the ethical standards of business have disintegrated, nevertheless, this is not true, because if it were, business would be retrogressing instead of progressing. Mr. Heimann said that there was no evidence of business methods having taken a turn backward. What actually happened was that the ethical standards of men were somewhat atrophied in the unusual period accompanying and following the Great War.

Mr. Heimann made a plea for every credit man to become vitally interested, not only in the workings of his own department, but in the workings of every department of the business with which he is connected. He stated that the credit man today is the greatest factor in business and it is only through the credit man that the Business Conscience can again be brought back to its normal standard. He cited several instances in which a credit man can do a great deal more toward rebuilding business than any other executive. The matter of the cancellation of contracts, the unjust return of merchandise, and the taking of undeserved discounts are matters which present individual problems, requiring carefully thought-out solutions. These are distinct problems for the credit man and the successful handling of them will restore the Business Conscience through the building up of confidence and good will which are so necessary in business today.

Mr. Heimann believes that the strongest tendency towards the disintegration of business ethics is selfishness. Competition plays too great a part; and each business house is afraid of the other gaining an undue advantage when too much stress is placed on calling the attention of the retail business men to their prevalent unfair practices of contract cancellation, etc. The course that Mr. Heimann prescribed is that business men, in general, should give some attention to the spiritual, as well as the material things in life. He asserted that the lack of religion in business could not be overcome until the individual made some effort and gave some thought to this in a personal way.

New Credit Review

New Oklahoma Publication

Oklahoma City.—The first copy of the Oklahoma Credit Review was published on May 1 by the Oklahoma City association. It is planned to issue this lively and informing publication regularly each month to keep the association activities and departments before the membership.

For the ensuing year the new officers are pres., A. I. Powers, Baker-Hanna & Blake Co.; vice-pres., O. B. Tedrick, Liberty Natl. Bank; Luther Cleveland, American Natl. Bank; and sec.-mgr., J. G. York. The directors are J. E. Wilson, Fisk Tire Co., Inc.; Carl Weidemann, Collins-Dietz-Morris Co.; A. R. Easton, R. G. Dun & Co.; A. J. Crahan, Williamson-Halsell-Frazier Co.; and Roy Albright, Miller Rubber Co.

Constructive Criticism

Omaha.—"Getting and Compiling Information" was the subject of the recent Omaha association meeting. The work of mercantile agencies in this difficult credit period was brought out by C. E. Terrell, R. G. Dun & Co., and H. K. Stolz, Bradstreet's. The Credit Clearing House and its work was also represented and manager W. R. Bernd talked on "The Compiling of Interchange Bureau Reports."

A fine spirit of co-operation between the members and the agencies was indicated and the criticisms in every case had the constructive point of view in mind. The meeting had the effect of clearing up a number of points which had previously been misunderstood.



Bert A. Wilcox

B. 1870, Bellevue, Neb. M., 1899. Ed., Village high school. Member, Methodist Church, Y. M. C. A., 320 Mason, Omaha Club, Univ. Club, Happy Fellow Golf Club, Omaha Chamber of Commerce, Ak-Sar-Ben-Ts'en, and Robert Morris Assn. Recreation, golf. Favorite reading, Atlantic Monthly, Financial and Commercial Chronicle, National Geographical Magazine, etc. Bus. addr., Omaha National Bank, Omaha, Neb.

During a school vacation obtained job as mail boy at Omaha National Bank. After graduating, (only member of first graduating class,) returned to Omaha National Bank, where he progressed through the City and Out of Town Collection depts., and later, the Discount dept., to present position as vice-pres. of bank.

Has served on sundry committees of Omaha assn.; pres. and director one year each. Now Vice Chairman of Banking and Currency Committee of Natl. Assn.

New Members for Newark

Newark.—At the regular meeting of the North Jersey association a sketch was staged that proved to be of unusual interest to members. The case of an insolvent debtor was handled by a credit manager. A. L. Meyers, W. H. Compton Shear Co. and vice-president of the association enacted the debtor and W. vanH. Ezerman, association secretary, played the credit manager. Many points were brought out that struck the members as well worth remembrance.

The membership goal has been set at 1000 by the new secretary of the association, who has secured 19 new applications recently. A meeting was held recently in Jersey City which opened

up a wide field of prospective members from Jersey City, Hoboken, Bayonne, etc. Several applications were received as a result of this meeting and many more are expected. Meetings have been scheduled for New Brunswick, Atlantic City, Paterson and another in Jersey City, each of which is expected to bear fruit.

A Business Program

Oshkosh.—A general business program was adhered to at the recent Oshkosh association meeting. T. R. Brady discussed membership work; W. L. Stopfang talked on credit education; and C. D. Breon urged participation in association affairs.

American Owned Cables

Philadelphia.—Reports of the State Conference held at Johnstown, Pa., were given at the recent luncheon meeting of the Philadelphia association by A. T. Rickards, Mrs. Edna S. Taylor, S. J. Anderson, C. A. Schnee and J. M. Bossard. The speakers had just returned from the Conference and each one reviewed the points which interested him most.

The necessity for American owned cables was the subject discussed at a recent luncheon meeting of the association by John A. Merrill. He told of the advantages which would accrue to American commerce if we could communicate with our foreign representatives and customers over American owned cable lines, instead of having to disclose our trade secrets to competitors by using their cable lines, writes D. R. Goodwin.

First Arizona Association

Phoenix.—Another organization has affiliated with the National association, the Arizona Wholesalers' Board of Trade, whose officers are pres. George C. Miller, Arizona Hardware Supply Co.; 1st vice-pres. W. W. Edwards, Haas, Baruch & Co.; 2nd vice-pres. J. T. Melczar, Melczar Co.; and treas. Cyril S. Gilbert, Pratt-Gilbert Co. The directors are H. C. Hall, Hall Pollock Co.; Ed. Hash, Babbitt Bros. Trading Co.; and Chas. Korrick, Chas. Korrick & Bro. The new association, which is the first in Arizona, will be cordially welcomed by the entire national membership.

Movies of a Busy Bank

Pittsburgh.—Membership Day was celebrated by the Pittsburgh association at their noon meeting by hearing two excellent addresses, when Sheriff Robert G. Woodside spoke on "The Soldier in Business" and attorney Leonard S. Levin on "Professional Credit Knowledge".

Moving pictures were shown at the luncheon meeting of the Credo Round Table which had been loaned through the courtesy of the Bank of Pittsburgh, and which showed a full day's program in a busy bank.

Mechanic's Lien Law Discussion

Portland.—The program of the Portland association's recent meeting was good in every respect, writes I. L. McCabe, Weyenberg Shoe Mfg. Co. The speaker, attorney J. B. Finnigan, gave a talk on the Mechanic's Lien Law of

Oregon, and the history of this law in the U. S. He also spoke briefly of similar laws in European countries.

"The Handling of an Insolvent Debtor," the demonstration given at Tacoma, was repeated at this meeting for the benefit of the Portland membership. Every one was much interested in it; the musical numbers were very good; and the songs were especially appropriate because they were taken from some of the operas which were being sung currently in Portland by the Chicago Opera Co.

For the Benefit of the Community

St. Joseph.—W. E. Smith, Hammond Packing Co., reports that the recent meeting of the St. Joseph association was one of the most enthusiastic ever held. Vice-pres. Barclay, St. Joseph Stock Yards Co., and pres. Geiger, St. Joseph Grain Exchange, talked on their own organizations and how they benefit St. Joseph. They also discussed how the credit men's association can benefit the community.

Delegates were elected to attend the National Convention at Indianapolis.



W. J. Henderson

B. 1862, Philadelphia, Pa. M. 1885. Ed., high school, at U. of Penn. School of Medicine for short period, but left to go into business. Vestryman of St. Mark's Episcopal Church; member, Chamber of Commerce, Board of Trustees St. Helen's Hall. Recreations, hiking, travel, and hunting for "lame ducks." Favorite reading, current magazines, CREDIT MONTHLY, and other business literature. Bus. addr., Closset & Devers, wholesale coffee, tea and spices, Portland, Ore.

First business connection was with N. W. Ayer & Son, advg. Later for several years in credit dept. of Granville B. Haines & Co., until 1891, when he entered employ of J. E. Caldwell & Co., jewellers, Phila. Here he was credit man until 1906 when he became credit manager for Closset & Devers, Portland, which position he now holds.

Formerly pres. of Portland assn., one of incorporators of its Adjustment Bureau, and a director since its incorporation. Claims that the brief instruction in the dissecting room at Medical School has been of immense value to him in the many post mortems he has subsequently attended.



Samuel L. Eddy

B. 1886, Benton Co., Ore. M. 1908. Ed., high school; Oregon Agricultural College, '05; Behne Walker Business College. Presbyterian. Member, Portland Lodge A. F. & A. M., 32° Mason, member Oregon Consistory No. 1, A. & A. S. Rite So-Jur and Al Kader Temple Shrine. Member, Robert Morris Associates, Portland Chamber of Commerce, and Univ. Arlington, Ad City, Progressive Business Men's, Irvington, and Waverly Golf Clubs, and Portland Art Assn. Recreations, automobiling, golf, tennis, fishing and hunting. Favorite reading, CREDIT MONTHLY, Alexander Hamilton Inst. Letters; monthly letter of Credit Men's Assn., National City Bank, and Guaranty Trust Co.; Commercial and Financial Chronicle, Literary Digest, System and other financial magazines. Bus. addr., Ladd & Tilton Bank, Portland, Ore.

Commenced as grocery store clerk at Cornwallis, Ore. Later conducted general merchandise store in Benton County, Ore. Went to Portland, 1907, was employed for a few months in accounting dept. of Honeyman Hardware Co. Entered employ of Ladd & Tilton Bank, where he created and took charge of credit dept., and made broad study of Bank Credit Depts. Elected asst. cashier, 1915, vice-pres., 1919. Also a director of several Oregon corporations.

Member of Portland assn. since 1911. Served on board of directors and Adjustment Bureau committee several years; was sec-treas. and vice-pres. and pres. during 1919. Has been chairman of several committees for Portland assn.; during 1920 was National Chairman of Fire Prevention Committee.

New Portland Board

Portland.—At the annual meeting of the Portland association W. B. Shively spoke on conditional sales contracts and the election of officers took place. The yearly report showed that considerable progress had been made, writes I. L. McCabe, Weyenberr Shoe Mfg. Co.

The newly elected officers are pres E. W. Johnson, Miller, Calhoun & Johnson; vice-pres. H. D. Marnock, Tru Blu Biscuit Co.; asst. sec., Foss B. Lewis, Simonds Mfg. Co.; bureau sec., E. Don Ross, Irwin-Hodson Co.; bureau auditor, T. C. Wadsworth, Zellerbach Paper Co. Directors are Fred S. Grutze, N. W. Electric Co.; B. E. Brooks, Kerr-Gifford Co.; J. H. Jones, W. P. Fuller & Co.; Jas. Breed, Pac. Stat. & Printing Co.; G. C. Blohm, Ladd & Tilton Bank; W. J. Henderson, Closset & Devers; H. W. Hall Lumber Co.; A. C. Longshore, N. W. National Bank; H. J. Parr, Swift & Co.; and J. H. Schommer, Albers Bros. Milling Co.

THE CREDIT MONTHLY

Court Directed Breach of Contract

Rochester.—"The question is whether we are going to have nationalized mines in the interest of the miners or an independent coal business run in the interest of the people," declared George H. Cushing, managing director of the American Wholesale Coal Association, Washington, before a recent meeting of the Rochester association. The United Mine Workers and the railroads are demanding the nationalization of the mines. He said the coal situation cannot be settled permanently until a commission of nine men sits in Washington to handle coal as the Interstate Commerce Commission handles the railroads.

He admitted that the coal operators broke the contract which called for a national wage conference April 1 between the union and all the operators, but he said the U. S. Court at Indianapolis had declared that contract to be a conspiracy and therefore unlawful. Operators and union leaders alike had been indicted under the Sherman Anti-Trust Act; their trials are still pending. Therefore in refusing to treat according to the contract the operators were merely following the dictation of the court.

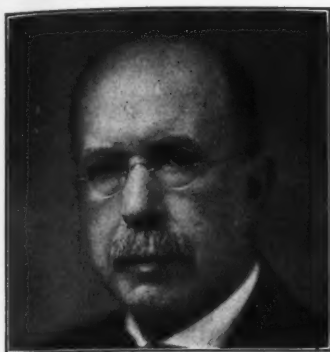


Ervin Leihy

B. Bayfield, Wis., 1878. M. 1903. Ed. high school. Masonic Scottish Rite, Shriner. Member, Chamber of Commerce, Rotarians, and Spanish War Vets. Recreations, hunting and fishing. Favorite reading, books on finance and credits, systems, Lefax and Alexander Hamilton Business Service. Bus. addr., Blumauer-Frank Drug Co., 355 Everett St., Portland, Ore.

Bookkeeper, 1896-98, for R. D. Pike Lumbering Co., Bayfield, Wis. Left to become Lieut. in U. S. Vol. Infantry, where he stayed until 1899. From 1899 to 1909 he was successively auditor of the Bayfield Transfer Ry. Co., The Marshall-Wells Hardware Co., in Portland, Ore., and the Charles Nelson Co., San Francisco. In 1909 he returned to the Marshall-Wells Co., where he was made office-manager. He retained this position for one year, when he became Credit Manager of the Blumauer-Frank Drug Company, which position he still holds.

Joined Portland assn. several years ago; has served in numerous capacities. For past eight years has been a director, and has held positions of sec., vice-pres. and later pres. of this assn.



Henry Williamson Mann

B. 1861, New Albany, Ind. M. 1886. Ed., High School. Member of House of Hope Presbyterian Church, St. Paul Athletic Club, Office Men's Assn. No particular recreational hobby. Favorite reading, detective stories, Lit. Digest, Atlantic Monthly, and trade papers. Bus. addr. Griggs, Cooper & Co., wholesale grocers, 3rd and Broadway, St. Paul, Minn.

Moved to St. Paul in 1876; started 1877 to work as profit clerk in Auerbach, Finch, Culbertson & Co., jobbers of dry goods. Obtained here a general office education in all lines. Became chief accountant, 1891, for Griggs Cooper & Co., jobbers of groceries, where he now holds the position of asst. treas. and member of the Board of Directors.

Though not actually a credit man, represents his firm at association meetings, and by virtue of his position is interested in all credit and collection conditions. Writes that he is a believer in both the local and National Assn. and glad to be considered as one of them. Is a firm believer in advantages of propaganda along educational lines, and of vigorously pushing along the old-time morals of "integrity of the note," "honesty of word and deed," etc., as well as modern efficiency methods.

Comedy Drama Presented at Big Meeting

St. Paul.—The principal feature of a recent meeting of the St. Paul Association was a comedy-drama in which seven members of the Minneapolis Association presented "The Dissolution of a Partnership," which combined real fun and instructive features. This is one of the series of acts which have been produced by the association in the past year.

Chairman Collitan in charge of the Transportation Committee for the Indianapolis Convention reported on the details of the trip. W. C. Rodgers, N. W. Jobbers Credit Bureau, explained briefly the new public administrator law passed by the North Dakota legislature at its last session.

There were 182 in attendance at this meeting, the largest ever held by the St. Paul Association, writes W. D. Mann, C. Gotzian & Co.

Sales and Credit Problems

Spokane.—W. A. Lindsay, president of the Fidelity National Bank, made an appeal for co-operation between sales and credit departments as the basis of service, at the April meeting of the Spokane Association. Following his address, which was enjoyed by both sales and credit managers, there was a

discussion of the problems of the two departments entered into by representatives of both. The old word "co-operation" was given new life and application for all who attended the meeting.

Retailer's Night

San Francisco.—The San Francisco association was the host at its latest monthly dinner of Pres. Geo. Kramer, Jr., and Sec. J. L. M. Shetterly of the Associated Retail Credit Men of San Francisco. William Loewi, affectionately called the daddy of the association, together with a number of men and women members of that organization were also warmly greeted and made welcome by Pres. E. C. Gayman.

Geo. J. Kern, Crocker National Bank, who succeeded Mr. Loudon as chairman of the Membership Drive, reminded the assembly that one day had been set aside by the National Association as national membership day and urged each member to appoint himself a committee of one to bring in on that day at least one new member.

It was with pleasure and considerable pride that the members learned that Director Eugene Elkus, Elkus Co., had been called upon by the Univ. of California faculty to read a paper before the class on Economics on the value of the financial statement.

Pres. Gayman made known to the meeting the association's guests, Prof. Preston of the Univ. of California, and C. H. Woodworth, manager of the Adjustment Bureau Dept. of the National Association. The speaker of the evening, Paul Findlay, retail merchandiser of Honig-Cooper Co., said in presenting his subject "Business Service" that while all classes of merchants were dependent upon the consumer, the responsibility of the direct touch with this market rested upon the shoulders of the retailer. For this reason the retailer's problems, his success or failure, were of vital interest to the wholesaler and from him on back to the manufacturer. It therefore behooves these two classes of business as they value their salvation to educate and build up the host of small retailers, who, in the past, had been so sadly neglected.

Mr. Findlay said that often the salesman indirectly contributed to the downfall of the small merchant, first, by using misleading phraseology in telling the retailer that the difference between cost and selling price was his profit whereas it only represented margin; second, in his over zealotness to put in a large order without thought as to whether his customer could digest it or not, thus killing the goose that lays the golden egg, because the lifesaver of the small merchant rests in the frequency of his turnover.

There are three basic factors, the speaker said, which should be eternally drilled into the head of the small retailer: (1) he must learn to figure; (2) he must learn to face the facts which result from these figures; (3) he must learn to sell goods. Then and then only will we see adjusted such conditions as obtain in the grocery trade where but 5 per cent. make money, 20 per cent are in the "twilight zone" with profits doubtful, and 75 per cent. are potential failures. Then the conscientious and earnest retailer will come into his own because he will know how to reckon his profit and his selling price will not be according to the rule of "by guess and by gosh."



Leslie H. Thompson

B. 1878, Webster Groves, Mo. M. 1907. Ed., Smith's Acad., St. Louis, and Yale, 1899. Recreations, motoring, golf and tennis. Bus. addr. Simmons Hardware Co., St. Louis, Mo.

After graduation started in his father's business, N. D. Thompson Publishing Co., which failed in 1902. Had his first credit experience on the other side of the fence. When a general extension of debts of company was arranged, was made pres. at the request of creditors; worked in connection with creditors' committee. Resigned and turned business over to his younger brother after the claims of the creditors had been settled. Went to Texas on a real estate venture. During war was in California manufacturing potash from kelp to replace German supply in American market. Came to Simmons Hardware Co., as head credit man. Elected asst. treas. and director, 1919; sec., 1921; sec., treas. and general manager 1922.

Has been Chairman of Credit Dept. Methods Committee, and is now 1st vice-pres. of St. Louis Assn., and Chairman of Banking and Currency Committee of National Assn.

Barclay Retires

St. Louis.—Charles R. Barclay has resigned from the Simmons Hardware Co. of St. Louis, after a service of forty-seven years, during which time he climbed from a lowly position in that great house to the office of vice president. Most of his progress was through the Credit Dept., over which he presided for many years.

Mr. Barclay was as enthusiastic about the National Association as about the Simmons Co. itself. He believed in the Association; and was ready to work and give his best to it. He cared not at all for the honors that go with elective office though he served one term as vice president. He preferred to serve in the ranks and to occupy any position to which he might be assigned.

The St. Louis Association loses greatly by Mr. Barclay's retirement, for he was always safely counted on for whatever important things were to be done. But men such as Mr. Barclay know that the work of the Association must go on even without them, and they rejoice in seeing things done in a bigger and better way than they themselves did them, on foundations it was their privilege to lay.

The good wishes of every member of the Association will go out to Mr. Barclay with the hope that he will find pleasure and new health in the sunshine of California from which State he was proud to have sprung.



J. Edward Stilz

B., Indianapolis, Ind., 1875. M., 1903. Ed., grade school, night law school. Presbyterian. Member, Indianapolis Chamber of Commerce and Associated Employers. Recreation, flower gardening. Favorite reading: The Scriptures, Saturday Evening Post, Country Gentleman, nature stories, CREDIT MONTHLY, Wall Street Journal, N. Y. Journal of Commerce, Monthly Letter of the National City Bank, N. Y. Bus. addr.: Keifer-Stuart Co., drugs, Indianapolis, Ind.

Started with A. Keifer Drug Co., 1891, as office boy. Grew up through bookkeeping department and studied law at night. Became assistant to the credit man and was elected secretary-treasurer in 1903. Served in that capacity until 1915, when A. Keifer Drug Co. and Daniel Stuart Co. consolidated under the name of Keifer-Stuart Co. Was elected secretary of the Keifer-Stuart Co., and has served in that capacity to date.

Was pres. of Indianapolis assn. during second year of its existence. Has served since as director and as Chairman of Bankruptcy Law and Legislative Committees.

Suggestion for Collection Letter

OUR old friends Mutt and Jeff recently held the following conversation, duly recorded in the New York World, by Bud Fisher. It contains an idea that may possibly be of value to credit men who are seeking for new ideas in collection letters:

"For the love of Mike," exclaimed Jeff, looking at a letter.

"Bad news in the letter, Jeff?" asks Mutt.

"I'll say so. Terrible news. A fellow writes me that he wants my autograph."

"I call a request for an autograph a compliment," says Mutt.

"Yes," walls Jeff, "but he wants my autograph on a check for the seven bucks I owe him."

Successful Ohio Convention

Toledo.—The convention meeting held recently in LaSalle & Koch's grill room was a "hum dinger." The room wasn't large enough to accommodate all who wished to participate in the program and get the convention spirit from the meeting. Chairman Davidson proved himself a complete master of the situation in introducing the several speakers and keeping the meeting up to high pitch from the sound of the first to the last bell. We wish we had space sufficient to give you a synopsis of each speaker's talk. Everyone present, however, was high in their praise of the way in which each chairman presented his own particular department in connection with the convention. The program is as follows:

- 9:00 A. M. Registration of Delegates, Secor Hotel.
- 9:30 Informal Reception, Secor Hotel.
- 10:00 Invocation: Rev. Harry Walker Vincent, D. D.
Address of Welcome, Judge B. F. Brough, Mayor.
Address of Welcome from Toledo Association, Howard E. Brittain, Pres.
Response from Columbus Association. L. G. Ihrig, Dayton, Ohio.
- 10:35 Address: "Prices—A Factor in Business," "Quiz." Conducted by Natl. Sec.-Treas. Tregoe.
- 11:20 Address: "The Relative Value of Various Sources of Information." J. D. Cloud, Cincinnati, Ohio.
"Quiz." Conducted by Mr. Tregoe.
- 12:15 Auto trip to Toledo Woman's Building for Luncheon.
- 2:00 P. M. Singing.
- 2:15 Address: "The Position of a Credit Manager in a Business Enterprise and the Reading and Study Necessary to His Success." J. B. Wiles, Pres. Portsmouth Association of Credit Men.
"Quiz." Conducted by Mr. Tregoe.
- 3:15 Address: "The Federal Reserve and Sound Finance." D. C. Wills, Chairman of the Board of The Federal Reserve Bank, Cleveland, Ohio.
Discussion in charge of Mr. Tregoe.
- 4:25 Announcements.
- 4:30 Adjournment.
- 6:30 Banquet. LaSalle & Koch's Fountain Room.
- Evening: Special Program.
"Looking Ahead," Chas. R. Clapp, National Supply Co., Toledo, O.
"Weakness in Bankruptcy Administration," Hon. J. M. Killits, Judge U. S. District Court, Toledo, O.
"Business Ideals," J. H. Tregoe.

Born in Toledo

Toledo.—E. F. Gleason, Ohio Savings Bank & Trust Co., at a recent noon meeting of the Toledo Association, spoke on "Things You Ought to Know" of the struggle they had 27 years ago in raising money enough to entertain the delegates at the first Credit Men's Convention, which was held in Toledo. Because of the success of that first meeting, and the acquaintanceships made there, we have the National Association of Credit Men, with a membership of thirty-odd thousand and still growing. Toledo points with pride to the fact that it had something to do with the starting of such a laudable and far-reaching enterprise.

Harry B. Kirkland, an attorney, addressed a recent dinner meeting of the Toledo Association on "Beating Back to Normalcy." Mr. Kirkland was for seven years an army officer and for the last eight years has been an advertising man. Following the address a dance was held.



Daniel G. Hines

B. 1871, Clinton, La. M. 1904. Ed., public schools and night school. Member K. of C., Loyal Order of the Moose, T. P. A., La. State Travelling Men's Assn., Travellers' Health Assn. Recreation, boating, swimming, and fishing, but mostly hard work. Favorite reading, CREDIT MONTHLY, American Magazine, Lit. Digest and Lefax. Bus. addr., Ralston Purina Co., wheat mills, St. Louis, Mo.

Spent his childhood in the cotton fields of Louisiana. At 13, began work as a country store clerk at Port Allen. Worked there six years; then moved to Baton Rouge, where he held another clerkship for five years in a general merchandise store. In 1900 went to St. Louis, where he spent three months taking a bookkeeping course, and went into credit dept. of Ely Walker Dry Goods store. In 1905 he left them to enter the bookkeeping department of Ralston Purina Co., where he later had charge of credits, collections and insurance, and is now Credit and Insurance Manager for the company.

Director for two years, chairman of Insurance Committee for two years. At present sec. of Adjustment Bureau of St. Louis assn. Is a member of Investigation and Prosecution Committee and of Legislative Committee. Has been an active member of the St. Louis assn. for fourteen years, and has rarely missed a meeting. Also attended all of the Missouri State Conferences, and four of the National Conferences. In spite of a hard upward struggle, has assisted financially at home from the time he began to work away from his parents. His advice to young men, aside from living a clean Christian life, is to take advantage of every opportunity to obtain a good education, to decide upon a definite line of endeavor, set a high goal, and work hard to go as far beyond that goal as possible.

Advantages of Association Membership

Worcester.—The April meeting of the Worcester association was addressed by William Walker Orr, editor of the CREDIT MONTHLY. The purpose of the meeting was to bring out in review the advantages of membership in the National Association. At the conclusion of Mr. Orr's talk on the part the Association had taken in the deflation period, there was a general discussion of credit problems in which many of the members took part.

When the Strike Ends—?

Wilkes-Barre.—The prolonged coal strike has made the credit situation in the union coal fields extremely difficult. The coal miners families for years had enjoyed a good income and retailers became accustomed to extending them credits liberally. With the custom of credit extension established, it is difficult for them to call a sharp halt and of course the fear of the loss of customers when mining is resumed weakens the retailers and leads to yielding and granting credits despite the fact that the miners' families have largely lost their credit basis.

The Wilkes-Barre Association is on the alert in this situation. It is pointing out to retailers the danger of granting indeterminate credits and that they cannot expect the wholesalers to carry retailers who are extending credits beyond the retailers' resources. The association has refreshed the memory of wholesalers and retailers as to the history of previous strikes and cited the ruin that came upon many retailers in the previous long strike because they fell for the threat of the miners that credit cut off in strike time would mean loss of business when the strike ended.

The association members fully appreciate the stress under which their retail customers are operating and intend to do their utmost in holding up their customers' hands and helping them maintain sound principles.

Visitors in Wilkes-Barre

Wilkes-Barre.—F. E. McGuffin, of New York, head of the service department of Butler Bros., was the speaker before the quarterly meeting of the Wilkes-Barre association last month. The meeting was also addressed by C. E. Downs of the Chemical National Bank who happened to be in Wilkes-Barre in the service of his bank. After their addresses there was an exchange of views and experiences upon business conditions.

Advising the Retailer

Wilkes-Barre.—Secretary McDonnell, of the Wilkes-Barre Association, is sending a series of letters to members of his association urging the importance of merchants in the Anthracite coal regions preparing against the threat of a coal strike by keeping obligations well in hand. Retailers, especially, are urged to keep their accounts in a liquid condition.

Mr. McDonnell in his circulars asks that the members go over the subject carefully with their salesmen, getting them to discuss the whole situation with retailers and thus open the way to advising them as to the safe policy to pursue in case a strike developed.

A further circular points out to the retailer that in case of a long strike it would be impossible to carry them if they attempted to carry the consumer in the face of a strike. It refers back to the situation during former protracted strikes when practically all the retailers in the Wyoming Valley who carried their mine-working customers went to the wall before the strike was over, their credit, money, homes and real estate swept away and their creditors left unpaid.

The Wilkes-Barre association feels that it is only right that this warning be extended to the retailers far enough in advance to give them time to prepare.



Robert Lee Boyd

B., Wheeling, W. Va., 1884. M., 1909. Ed., grammar school, supplemented by commercial college and Alexander Hamilton Inst., etc. Episcopalian. Member, A. O. U. W., Ft. Henry Club, Chamber of Commerce. Recreations, auto-mobiling and chess. Favorite reading, *CREDIT MONTHLY*. System, Sat. Eve. Post, Dumas, Kipling and modern novels. Bus. addr., Bloch Bros. Tobacco Co., manufacturers of Mail Pouch Tobacco and Arrow Cigarettes, Wheeling, W. Va.

Began business life 1899, after numerous temporary employments, as clerk in National Exchange Bank, Wheeling; gradually promoted to asst. cashier. Left bank, 1918, to become director and asst. sec. of Bloch Bros. Tobacco Co. Also consultant on tax laws and tax accounting.

Member Wheeling assn. since 1915; director 1917-22; now pres. Delegate to National Conventions, state conferences.

Nothing to Retire to

Wheeling.—W. E. Wells, gen. mgr. Homer Laughlin China Co., told the members of the Wheeling Association at a recent meeting, when he spoke on "An Old Flower Garden," that every man ought to have a helpful diversion, that he had found many happy hours amid the glories of the flower garden as it burst into bloom in the spring of the year, and as the leaves browned and finally the stalks stood bleak and bare in the late fall winds. The study of fruitage, the manner of producing and storing the seeds and the evidence given that in death itself the garden flowers were simply preparing for a new life, a constant transition and never an end, is, he said, a never failing recreation.

Mr. Wells appealed to his hearers to take some leisure, to seek out helpful recreation so that there shall not come to them that tragedy described by Andrew Carnegie when many of his associates, enriched by the formation of the U. S. Steel Corporation told him they were going to retire. He counseled then not to retire, because as he said, "You have money enough to retire on, but you have nothing to retire to."

At this meeting Sec. Downs announced the loss by death of Joseph H. Baer, one of the most active members of the association from its beginning, formerly a vice-pres., chairman of a number of committees, active in membership and one who could be depended upon to do his part whenever the Wheeling Association made its call upon him. Resolutions expressive of the sense of loss sustained were unanimously adopted.

Study and Keep Studying

Washington.—James S. McKee, of the Washington association presented a careful analysis of commercial failures and their causes at the recent Virginia conference of credit men. He declared that at least 95 per cent. of failures are due to individual faults, and the small balance to overwhelming circumstances over which the man had no control; that the failures which involve fraud are preceded often by speculation, neglect of the business or personal extravagance; that those practicing these sins adopt fraud as a means of prolonging their bad methods. Virtually all failures occur in the over-extension of credits which cannot be redeemed, he said. It is the credit man's part to guard against over-buying and over-selling, and to devote his best efforts to reading the failure record. He does it by watching his customers, by studying them, their characteristics, their peculiarities, their weaknesses, learning more about them and trying to help them, first, by example, again by advice or suggestion, then by instruction and co-operation. Under our present methods it is necessary for men to trust one another; and yet, there are still men in every community who cannot be trusted, who are not fit to participate in a credit system which depends for its existence upon the postulate that all men are honest and will pay the debts which they contract. There is reluctance on the part of some men to put checks upon the freedom of credit, but in our state of commercial development it is necessary that men be held fast to some credit standard which is high enough to enable only those who can reach it to get the benefits.

The credit man, therefore, must think and study and keep studying, know his customers personally, and impress upon them the fact that the credit department is quite as important as the sales or production or advertising and service departments, that men are not in business simply to get goods out, but to get money in.

Prendergast on Association

Utica.—The Hon. Wm. A. Prendergast, chairman of the Public Service Commission of the State of N. Y., addressed 150 members of the Utica Association at its last meeting on "What Can We Do to Strengthen Credits?" As a leading member and later an officer of the National Association during the first ten years of its activities, Mr. Prendergast sketched reminiscently the early history of the organization. He declared that it had operated effectually in maintaining poise and confidence in the several dangerous periods through which American commerce had passed since 1896.

"As we return to prosperity," he said, "we too easily forget the lessons taught us by adversity and the rules we then resolved to enforce. The association, however, does not let us forget nor allow others to forget. It puts up danger signals when times are easy and we are running fast. Our credit men's organizations were the sane and saving influences during the period of inflation."

Speaking of our foreign trade, Mr. Prendergast declared that the great mass of frozen credit from the burden of which we had been suffering, was caused largely by the fact that our

credits abroad were extended without the thorough and comprehensive information we were in the habit of insisting upon in extending large credits. We were not organized for foreign trade as Great Britain and Germany had organized themselves. We had meager banking facilities abroad that depended on information secured from untrustworthy sources. If we are to continue in foreign trade it must be through the right kind of agency and the securing of the right kind of information.

"It is necessary for our commerce, that our credit associations expand and that their work be in no way curtailed," added Mr. Prendergast. "War of necessity throws commerce into confusion. To the war can be charged the disaster that has overtaken this and every other country. It brought about a shattering of values, a weakening of the moral fabric of the people, and while war has been over for three years its effects are yet to be seen and we recognize that much must still be done to restore the world to a sound economic condition.

"The basis of fundamental credit should not be forgotten. We are standing at the gate-way of a new era of business but not as great business as we had during the war. If we are going beyond our native shores as we must, we must study carefully the financial standing of Peoples and their capacity to manage business.

"It is necessary that the example of wise economy be practiced by governments, national, state and local, because the effect of such example on the public mind is tremendous. What a community needs for its better life, such as schools, it should have. Money so spent is wise economy but if spent on needless objects, it reflects little good."



William L. Percy

B., 1876, New Orleans, La. M., 1903. Self educated. Episcopalian. Member, Mason, Knight Templar, Shriner, Rotarian, Atlanta Athletic Club, East Lake Country Club, Chamber of Commerce. Recreations, golf, fishing and automobil- ing. Favorite reading, history, biography, Literary Digest, CREDIT MONTHLY. Bus. addr., Dobbs & Wey Co., china, crockery and glassware, Atlanta, Ga.

Moved to Atlanta and started with Dobbs & Wey Co., as collector in 1892. Worked through every department and when elected sec. took charge of retail credits. Several years later, when elected pres. and treas. became manager of credits.

For yrs. member of Atlanta assn. Chairman of meetings committee, director, vice-pres., now pres.



Andrew B. Comstock

B., 1888, Providence, R. I. M., 1914. Ed., Brown Univ., A. B. degree in 1910, A. M. in 1911. Episcopalian. Member, R. I. Historical Society, Phi Kappa Psi fraternity, R. I. Alumni Assn. of Phi Kappa Psi, Associated Alumni of Brown Univ., Traffic Club of Providence, Chamber of Commerce. Recreations, auto- mobilizing and bowling; tennis, baseball and football fan. Favorite reading, detective stories, CREDIT MONTHLY, Brown Alumni Monthly, Shield of Phi Kappa Psi. Bus. addr., Chandler Motors of R. I. Inc., Providence, R. I.

Worked as clerk at Providence Ink Co. in summer vacations and at intervals until May 1913. Treas. and director, N. E. Supply Co., 1913-19. Cashier Providence branch Indian Packing Co. and Indian Packing Corporation, 1919-20. Director Crown Food Products Corp. from its organization, since February 1921. Treas. and director of Chandler Motors of R. I. Inc., since August 1921. Indian Packing Co. absorbed N. E. Supply Co. and in turn was absorbed by Indian Packing Corp. Handled credits for N. E. Supply Co., and Indian Packing Co. beginning 1917.

Director 1918-22, Providence assn.; member Membership Committee 1918-19. Chairman, 1919-21. Member Exec. Committee 1919-20. Pres. 1921-22. Vice-chairman National Membership Committee 1920-22. Member Exec. Committee Membership Dept. 1920-21. In first year as chairman of local membership committee, association membership doubled.

Jesse Spurgeon

B., 1872, Iowa. M., 1901. Ed., high school and business college. Member, B. P. O. Elks, Chamber of Commerce and Kiwanis. Recreations, music, billiards and bowling. Favorite reading, anything from detective stories to Ein-



THE CREDIT MONTHLY

stein's Universal Relativity. Bus. addr., Samuel Mahon Co., Groceries, Ottumwa, Iowa.

Taught school until he was 29 years of age. Entered employ of J. H. Merrill Co., wholesale grocers, as assistant bookkeeper in 1901; was advanced to the position of treas., director and credit manager. In 1916 J. H. Merrill Co. was absorbed in a consolidation of several companies, under name of Samuel Mahon Co., of which corporation he was made treas., director, credit manager and financial agent.

Organized the Ottumwa association of credit men several years before it became affiliated with the National Association of Credit Men. After the affiliation served as pres. for three consecutive terms and is the proud possessor of a beautiful loving cup presented by the members.

During the war was chairman of Retail Service Bureau of Iowa under the Food Administration. In this service wrote a system of retail grocery book-keeping which was published and distributed to 3,000 retail grocers in Iowa.

Stanley L. Butler

B., Utica, N. Y. M., 1912. Ed. Utica Acad. and Hamilton College. Presbyterian. Member, Alpha Delta Phi, Fort Wayne Country Club, Chamber of Commerce. Recreations, tennis, swimming, automobilizing, bowling, skating. Favorite reading, old standard authors, financial and economic papers, newspapers, Literary Digest, National Geographic, American, World's Work. Bus. addr., Wayne Knitting Mills, Fort Wayne, Ind.

After graduating from college followed father's line of work (wholesale manufacture of men's clothing.) With



Roberts, Butler and Co., for two years, then with Frisbie & Stansfield Knitting Co. Served with them 14 years as office and credit manager in Utica and New York. Afterwards credit man with H. B. Claffin Co., until the reorganization after their bankruptcy. Then changed his line from dry goods to rubber tires, and was credit manager for the Ajax Rubber Co. Two years ago returned to the knitting industry as manager of credits and collections for the Wayne Knitting Mills.

A Charter Member of the Utica Credit Men's Assn. and later a member of the N. Y. assn. Member of Credit Co-operation and Credit Methods Exec. Com. Now a member of the committee on dry goods and allied lines. Vice-Pres. of Fort Wayne assn., 1920-21, President 1921-22.



John Franklin Wood

B. 1875, Bristol, Tenn. M., 1901. Ed., Military Academy and Richmond College, Richmond, Va. Presbyterian. Member, Richmond Rotary Club, Phi Kappa Sigma Fraternity. Recreation, golf up to 1920. Favorite reading, business literature and old English writers. Bus. addr., Richmond Dry Goods Co., Richmond, Va.

Bank clerk in his father's bank, Bristol, Tenn. Bookkeeper in flour mill owned by his father. Next connected with mercantile agency at Knoxville, Tenn., and Atlanta, Ga. Now treasurer and credit manager, Richmond Dry Goods Co., Richmond, Va.

Much interested in presenting to the credit men of the country the question as to whether it would not be a worth while protective measure to organize a company whose exclusive business would be to bid on stocks, real estate, and book accounts of insolvent debtors, and where necessary purchase rather than see assets sacrificed. A little later I hope to have a tentative plan for the organization of such company.

Formerly member Knoxville and Bristol assns. Member, Richmond assn. since 1917; vice-pres., 1920-21; pres. since June 1921.



Fred Kellogg

B. 1886, Aurora, Ill. M. 1911. Ed., Evanston Acad., Ill. College of Accounting and Finance. Methodist and Mason. Member, Cedar Rapids Chamber of Commerce, Lions Club and Y. M. C. A. Recreations, automobiling, golf, bowling. Favorite reading, CREDIT MONTHLY, trade journals, business books, psychology and economics. Bus. addr., Morris Sanford Co., 219-223 South Second St., Cedar Rapids, Ia.

After completing his schooling, was a shipping clerk for Kinne & Bunn Candy Co., Ft. Dodge, Ia. Spent 1904-09 at Evanston Academy and the Ill. College of Accounting and Finance. Successively with The International Harvester Co., Madison City, Ia., Corn Belt Telephone Co., Waterloo, Ia., and Iowa Telephone Co., Cedar Rapids, Ia., 1910-15. Then became credit and office manager of George A. Mullin Co., Cedar Rapids, and in 1916 was made treas. and sec. of this company, and has held these positions with their successors, Morris Sanford Co. since 1916.

Treas. Cedar Rapids assn., 1918-20. Councillor 1920. President beginning May 1921.

Walter T. Hubbard

B., 1879, LaPlata, Mo. M., 1909. Ed., schools and business college at Kansas City, Mo. Member, Ancient Landmarks Lodge, No. 303, F. & A. M., and Merlin Grotto, Saginaw, Mich. Recreations, automobiling, fishing and hunting. Fa-



vorite reading, CREDIT MONTHLY (best of all), System and Daily News. Bus. addr., Standard Oil Co., Saginaw, Mich.

Started in 1900 working as stenographer. In 1904 entered the employ of Standard Oil Co. (Ind.) as billing clerk. Worked up through various positions, now credit manager.

Became interested in credit association work about 1916. Has been member of Northeastern Michigan assn. since coming to Saginaw in 1918. Now serving as president for second term, being re-elected May 1921.

Samuel H. Selman

B. 1895, N. Y. City. Ed., De Witt Clinton High School, B. C. S. from N. Y. Univ., Associate N. I. C. Member, N. Y. Univ. Alumni Assn. Favorite reading, CREDIT MONTHLY, Review of Reviews, classic fiction, biographies, economics. Bus. addr., Aristo Hosiery Co., Inc., 19 E. 24th St., N. Y. City.

Worked at N. Y. Public Library for 18 months after graduation from college. In 1916 started as charge clerk in the Aristo Hosiery Co., Inc. Within a few months was made head of charg-



ing and order dept., and also inside salesman. In 1917 took over credit dept., of which he is now the manager. In complete charge of office, and attends to many important financial matters. Is also treas. of Rexford Corp., N. Y. C. Attends the Forum meetings of N. Y. Credit Men's Assn.

E. B. Genung

B. 1882, White Plains, N. Y. M. 1907. Ed., Richmond Hill High School, Univ. Extension Courses, Wilson Business College Correspondence courses. Episcopalian, Mason. Recreations, Fording, tennis, fishing, swimming. Favorite reading, Saturday Eve. Post. CREDIT MONTHLY, Kipling, Tregoe's monthly letters. Bus. addr., for past 14 years, California Commission Co., 507 Railway Exchange Bldg., Seattle, Wash.

Was seven years with Whitin and Collins, 112 Worth St., N. Y. Subsequently with International Correspond-



ence Schools, Scranton, Pa.; and M. E. Smith & Co., Omaha, Neb.

Was on membership committee of Seattle assn. in 1919, when many new members were secured. Since 1920 he has been assn. sec. Has organized a public speaking class of 35 members, and in their group meetings, which are held three or four times a month, representatives of various lines of industry dine together, to exchange ledger information and co-operation methods.



George A. Palmer

B., 1875, Bowne, Mich. M., 1901. Ed., high school, finishing at business college, Grand Rapids. Member Methodist Episcopal Church, Palestine Lodge, F. & A. M. 357, Consistory, K. O. T. M., Palestine Chapter, Masonic Country Club, Automobile Club, Lions Club, Detroit Citizens League, St. Marks, M. E. Men's Club. Recreations, golf and automobile. Favorite reading, current literature on business and economics. Bus. addr., Farrand, Williams & Clark, wholesale druggists, Detroit, Mich.

Entered into the railway mail service of the United States Government shortly after leaving business college, serving on a run between Detroit and Grand Rapids. Secured position with wholesale grocery firm of Phelps, Brace & Co., Detroit. Bookkeeper and asst. credit manager four years. Left to take position with Farrand, Williams & Clark, wholesale druggists, Detroit, and held position for 18 years. Is vice-pres. Detroit assn., and chairman Adjustment Bureau Committee.



Charles L. Bamforth

B., 1876, Mt. Vernon, Ia. M., 1898. Ed., two years of high school and business college at Cleveland, O. Member, St. John's Lodge No. 1, A. F. & A. M., Providence Royal Arch Chapter No. 1, Providence Council No. 1 R. & S. M., Vice-Pres. Providence Kiwanis Club, Accountant's Club Southern New England. Recreation, automobile. Favorite reading, business publications, Literary Digest, Sat. Eve. Post, fiction. Bus. addr., 69 Point St., Providence, R. I.

Started with Davol Rubber Co., 1893, as their first stenographer. Filled various positions, elected sec. 1917, and drifted into credit work.

Director and chairman of Foreign Credit Committee of Providence assn.



S. G. Steiner

B., on a farm in Putnam County, O. His father was a minister and farmer combined, doing circuit riding, while he and his seven brothers one sister and his mother operated the farm. Ed., Northwestern Ohio Univ., Ada, O., Univ. of Michigan, Ann Arbor, Mich. M., 1900. Member, Elks, Kiwanis, Southern Yacht Club, Association of Commerce, Child's Welfare, Chess, Checkers and Whist Club. Recreations, golf and horseback riding. Favorite reading, periodicals and daily press. Bus. addr., Parke, Davis & Co., drugs and chemicals, New Orleans, La.

Started in business with A. M. Andrews, Connersville, Ind., as druggist and chemist. Connected with Parke Davis & Co., Detroit, 1893, as traveling salesman, representing them in Wis., Ill., Ia., Minn., N. D., Ky., Tenn., Miss., and Ala., in a period of seven years. Appointed manager of Parke, Davis & Co. Director of New Orleans assn. four years; vice-pres. two years; now pres.



Stanley S. Shepard

B., 1885, Devils Lake, N. D. Ed., public schools of Syracuse and Rochester, N. Y., Yale '09. Member, Mayasset Club, Yale Club of N. Y. City. Recreations, football (fan), theatre and horticulture. Favorite reading, history, biography, economics, essays and fiction. Bus. addr., Try-Me Mfg. Co., plumbers supplies, Westfield, Mass.

Entered the employ of the National Tube Co., a subsidiary of the U. S. Steel Corp., as timekeeper at its Syracuse Mill in 1909, occupied various positions. Removed to Springfield, Mass. in 1914. Was one of the organizers in 1916 of Try-Me Mfg. Co., of which he has since been treas. and mgr.

Director of Western Mass. Assn. since 1916; sec. 1918-19; vice-pres. 1919-20; pres. 1920 to date. Member of National Advisory Council at the present time.



John Robert Milner-Orpen

B. Brooklyn, N. Y., 1891. M. 1919. Ed., public school, Providence, R. I. Vestryman St. Stephen's Episcopal Church, Supt. and Treas. of Sunday School. Member, Providence Chamber of Commerce, Rotary of Providence, Churchman's Club, Economic Club, and Providence Athenaeum. Recreations, automobile and fishing. Favorite reading, history and historical novels. Bus. addr., Providence Ice Co., 17 Exchange St., Providence, R. I.

Left school at nineteen. Had various experiences as clerk in banking work, and entered employ of Providence Ice Co., as clerk in 1902. Was cashier and paymaster there 1905-1909, when he was elected sec.-treas. Has had charge of all credit work for the Providence Ice Co., and subsidiaries since 1909.

On Membership Committee for three years, chairman since June, 1921.



Charles H. Kammer

B. 1873, New Orleans, La. M., 1900. High school education. Member, N. O. Assn. of Commerce, K. of C., Kiwanis, Recreation, automobile in the country. Favorite reading, CREDIT MONTHLY, business and trade publications and fiction. Bus. addr., August H. Flaspoller Co., Inc., groceries, New Orleans, La.

Entered the service of his present firm twenty-seven years ago. At this time the credit department and the credit man were unknown, and he was one of the first to recognize the necessity of a system in credit granting. He formed such a department, of which he has always been the head. When the wholesale grocery business was incorporated in 1916 under style of August H. Flaspoller Co., Inc., was elected sec.-treas., which position he now holds.

Has always been an active member of the New Orleans assn., has served

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on a number of committees, and five years ago was elected a director. For the past two years has been Chairman of Exec. Committee, the working branch of the entire assn. Recognized as being an active and earnest worker, with good business judgment that equips him not only to handle his own department in his own house, but to give a favorable aid in the work of the organization. Now National Chairman of the Business Service Committee, a member of the Trade Group Conference Committee in charge of wholesale groceries at Indianapolis Convention. Has attended five successive conventions, and looks forward to being present at Indianapolis.



Abner Jackson

B. 1891, N. Y. City. M. 1921 Ed., Morris East High School, Undergraduate work at N. Y. Univ., graduate work at Columbia Univ. and National Institute of Credit. Member of the N. Y. Univ. Alumni Assn. Recreations, hiking, swimming, canoeing. Favorite reading, Golieb and Etlinger's "Credits and Collections," Literary Digest, Dumas, Omar Kaayaam, CREDIT MONTHLY, and Daily News Record. Bus. addr., Union Exchange Nat'l Bank, 295 Fifth Ave., New York City.

Started credit work under William T. Black, credit manager of J. B. Greenhut & Co., N. Y. At their liquidation, 1918, went to Pacific Bank in credit dept. In 1921 became associated with the Union Exchange National Bank, and now holds the title of Credit Manager there.

Devoted practically all of his time outside of work, to aid the development of the Nat. Inst. of Credit. Has great faith in the future of the Institute to spread its influence and ennoble the profession of credit granting. Is now the first vice-pres. of N. Y. Chapter.

N. I. C. Certificate Holders

H. R. JONES, Corpus Christi Hardware Co., Corpus Christi, Texas, and **H. W. Peyton**, 1112 E. Washington St., Stockton, Cal., have received certificates for completing the course in Credits and Collections given by the National Institute of Credit of the National Association of Credit Men. **Wm. Henry**, Box 1638, Richmond, Va., received a certificate for completing the course in Economics.

A Heart Interest in Customers

By H. Uehlinger

THE Business Service Committee of the National Association of Credit Men will present the following report at the 1922 Convention:

Your committee have considered their objects to be as follows:

a—to advertise the idea of business service among credit men;

b—to encourage credit men to practice business service where needed among customers;

c—to encourage the appointment of permanent business service committees in local associations of credit men;

d—to continue to promote the distribution of "A Business Enterprise."

QUESTIONNAIRE TO RETAILERS

The returns are still coming in from a questionnaire sent to 300 retailers whose names were supplied by members of the Association. This questionnaire is bringing out the manner in which credit grantors may, through the practice of business service, be of assistance to their customers.

PRACTITIONERS OF BUSINESS SERVICE

A number of instances of the practice of Business Service have been gathered from credit managers. The publication of these actual cases, it is believed, will be of interest and inspiration to all members of the National Association.

"A BUSINESS ENTERPRISE"

About 40,000 copies of this primer on bookkeeping have been sold in quantities to credit managers for distribution to customers inexperienced in accounting.

In the course of the past year at least seventeen trade journals have reprinted either in one issue or as a serial the helpful material contained in this publication and have given full credit to the National Association of Credit Men. Many other trade papers have signified their intention to do so. Through one trade paper alone about 40 inquiries have been received for the pamphlet.

PLANS FOR PUBLICATION

a—Manual: "How the credit man can be made a Business Service Man."

b—Pamphlet: "How the Business Service Man can make better merchants out of his customers."

c—Pamphlet: "Business Failures due to bad business practices."

d—Pamphlet: "A Re-issue of A Business Enterprise."

DECLARATIONS

1. Business Service is a heart interest in customers on the part of the credit man beyond the exchange of dollars for merchandise through which by counsel and advice he builds up the customer, department by department, until the customer is wholly successful.

2. The practice of Business Service will—

- (a) decrease bad debt losses;
- (b) stabilize business;
- (c) increase the usefulness and responsibilities of the credit manager.

3. A permanent Business Service committee should be established in every local association of credit men.

Chas. H. Kammer, *Chairman*
Aug. H. Flaspoller Co.
New Orleans, La.

VICE-CHAIRMEN

1. **WM. H. C. JUST**
GREENE ANTHONY CO.
PROVIDENCE, R. I.
2. **W. J. LEONARD**
GIBSON-SNOW CO., INC.
ALBANY, N. Y.
3. **M. J. ALLEN**
QUINN-MARSHALL D. G. CO.
LYNCHBURG, VA.
4. **C. W. MCCREARY**
GODMAN SHOE CO.
COLUMBUS, OHIO
5. **FRANK E. MARTIN**
VALLEY CITY MILLING CO.
GRAND RAPIDS, MICH.
6. **GUY TRUAX**
SIMMONS HARDWARE CO.
WICHITA, KANSAS
7. **J. G. BARKLEY**
CAMERON & BARKLEY CO.
TAMPA, FLORIDA
8. **W. E. MUIR**
LUTHE HARDWARE CO.
DES MOINES IOWA
9. **CHAS. L. STEWART**
BOISE CITY NATIONAL BANK
BOISE, IDAHO
10. **A. J. PROSSER**
GLOBE GRAIN & MILLING CO.
SAN FRANCISCO, CAL.

EXECUTIVE COMMITTEE

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HILO VARNISH CORPORATION
BROOKLYN, N. Y.
- WILLIAM ARMSTRONG**
SIGMUND EISNER CO.
RED BANK, N. J.
- J. H. BRENNEN**
ATLANTIC NATIONAL BANK
NEW YORK, N. Y.
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Positions Wanted

A YOUNG WOMAN who has had seven years' experience in credit work is open for a position. Especially qualified to assist credit manager. Has certificate for course in credits and collections. Can give first class references. Address Advertisement 683.

OFFICE EXECUTIVE—Secretary-treasurer of manufacturing corporation now in liquidation seeks connection with large concern where opportunity is not limited by small volume of business. Fully qualified for position of credit and collection manager, chief accountant, auditor or office manager. Over 20 years' experience as executive and accustomed to responsibility. Best references and bond if required. Services available on short notice at a salary of not less than \$5200. Address Advertisement 684.

CREDIT MAN—Single, 30, with six years' bank audit experience, formerly acting assistant manager of a branch American bank in South America, desires position with a bank or mercantile house, either in or outside of New York City. Can furnish A-1 references. Address Advertisement 685.

POSITION DESIRED AS CREDIT OR COLLECTION MANAGER or assistant with manufacturing or jobbing establishment offering permanence and opportunity for ability, efficiency and loyalty. Am 39 years old and have had over 20 years' business training; 14 years in credits and collections and office management; have been with present employers over 16 years and for the last 14 years have had charge of all credits and collections covering every state in the Union and Canada. Experience in both short and long term credits. Highest references as to character and ability. Would consider position as assistant credit man, also moderate salary to start if future prospects are favorable. New England territory preferred. Best of reasons for making a change from present position. Address Advertisement 686.

ACCOUNTANT, CREDIT MAN, OFFICE MANAGER—Intense training in commercial and manufacturing lines for furniture, textile and paper houses. Office, bookkeeping, auditing, accounting, purchasing, sales promotion and office managing experience. Aggressive and painstaking. Age 37, married, Christian. Salary per arrangement. Desire New York connection; am willing to travel occasionally. Address Advertisement 687.

POSITION DESIRED AS CREDIT AND COLLECTION MANAGER—Now employed by a large national organization with twenty branches throughout the United States and Canada, handling credit and collections from general offices without any friction with branch managers, but have their very best co-operation. Thoroughly qualified to fill a high-grade executive position and handle legal matters. Regardless of the condition your collections are in I can soon demonstrate my ability to get results and not jeopardize sales. Age 40, married; location desired, Detroit, Buffalo or Cleveland. Can give bond if required. Salary \$4000. Address Advertisement 688.

CREDIT AND COLLECTION MANAGER—Nine years' experience in builders supplies and

coal in Ohio. Annual sales \$2,000,000. Have a record to which I welcome investigation. Would prefer connection in Cleveland or other good city west of Pittsburgh. Present salary \$4500. Personal interview solicited. Address Advertisement 689.

ASSISTANT CREDIT MAN—Capable of freeing credit executive from handling departmental routine. Six years' experience. Thorough knowledge of accountancy. Will accept position anywhere at \$2500 with better prospects than present connection. Address Advertisement 690.

CREDIT AND OFFICE MANAGER—Would like to hear from concern desiring services of man experienced in accounting, credits and collections and cost accounting. Have been assistant to president of large corporation and can install modern systems of office management. Address Advertisement 691.

CREDIT MANAGER OR ASSISTANT—Expert in electrical and mechanical lines particularly in the radio field. Three years' experience. University training in credits. Now employed with large concern but desires change. Age 25, single, Christian. Salary \$2500. Address Advertisement 692.

Addresses Wanted

ADRAIN, J. L., a chef, formerly of Akron, and later of Cleveland, Ohio.

AMES, D. E., formerly in business under the name of Ames & Bennett (paint shop), 3919 West Warren Ave., Detroit, Mich. Removed to Algonac, Mich.

ANDREWS, ROY CO., formerly at 346 Broadway, New York City.

BOHANNON, L. J., formerly of Stillwell, Okla., later of Pittsburgh, Kansas.

BOONE BAKERY, formerly operated by E. T. and Jack Boone, at Homer, La.

BRENTLINGER & SON, recently in garage business at Lyons, Kans.

BROOKS, E., formerly at Yellville, Ark., Ficher, Okla., and Rush, Ark.

CAMPBELL, JACK, 1202 Flatbush Ave., Brooklyn, N. Y.

CATHER, H. C., formerly of 1202 Fulton St., Brooklyn, N. Y.

CHERNIFF, H., formerly of Cherniff Pharmacy, 3527 Mermaid Ave., Coney Island, Brooklyn, N. Y.

CHESTER, HARRY C., formerly in the shoe repairing business at 15½ Alden St., Waterville, Me.

CHRISTMAN, ALEXANDER, doing business as the Liberty Musical Instrument Works, 4625 Independence Ave., Kansas City, Mo.

CLARK, S. & SONS, formerly in the confectionery and bakery business, at 1518 Richmond Ave., Richmond, Calif.

COHEN, ADOLPH, recently at 447 Rockaway Ave., Brooklyn, N. Y.

COOK, ROSWELL, formerly in business at Watertown, N. Y.

DAVIS, CLYDE, 7515 Penn Ave., East Side, Pittsburgh, Pa.

DAVIS, D., previously in business under the name of American Cloth Hat & Cap Mfg. Co., Houston, Texas. Supposed to have gone to San Francisco, Calif.

DECKER, C. C., formerly of Moore, Pa., and later of 6th and Welsh Sts., Chester, Pa. Now believed to be in New York City.

DITTO, S. L., previously at Box 343, Waycross, Ga.

EISENBERG, M., recently at 292 So. Orange Ave., Newark, N. J.

ELLIOTT, GEORGE W., formerly at 219 Monticello Ave., Jersey City, N. J.

ESCHEN, SUBURBAN MOTOR EXPRESS, 401 A. R. R. Prop., formerly at 227 No. La Salle St., Chicago, Ill.

FALLIS, GRANT, recently at Frankford, Ky. Believed to be now at Bedford or Muncie, Ind.

FELDMAN, LOUIS, operated under style of El Paso Furniture Co., at Colorado Springs, Colo. Reported to be somewhere in California, and later in Omaha, Neb.

FINCH, DR. L. A., formerly proprietor of Northwestern Auto Sales Co., Ironwood, Mich., then operated as dentist at Ann Arbor, Mich.

FISH, JOHN, last known address, care of the Michigan Mercantile Co., 6520 Cass Ave., Detroit, Mich.

GLASSER, P., formerly in business at Breckenridge, Texas. Said to have moved to New York.

GOODMAN BROS., 805 Manhattan Ave., New York City.

GRIFFIN, CARLISLE L., doing business under the name of Guaranteed Auto Sales Co., 4710 Delmar Blvd., St. Louis, Mo.

HAMILTON, E. C., formerly proprietor of the Auto Service Co., Royalton, Minn., now reported at Decatur, Ill.

HANLEY, J. W., formerly at 4262 Shaw Ave., St. Louis, Mo.

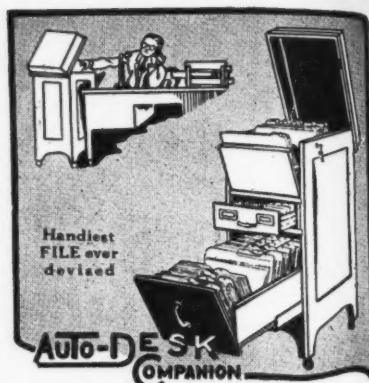
HARKFIELD, B., recently a merchant at Cordele, Ga., now said to be somewhere in Florida.

HOLIDAY, P. H., previously at Towanda, N.Y. and Eldorado, Kans.

HOLUBER, IRVING, plumber and steamfitter, whose address was 3408 Rivard St., Detroit, Mich.

HYMAN, ISIDORE, until recently a partner of Hoffman & Hyman, trading as the H. & H. Elite Shop, 5814 Fifth Ave., Brooklyn, N. Y. Believed to be located somewhere in Pennsylvania.

THE CREDIT MONTHLY



Designed to meet the
needs of
CREDIT MEN

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INGRAM, M. F., doughnut manufacturer, formerly of Akron, Ohio, and later of Pittsburgh, Pa.

INGRASSIA, W., formerly at 532 Third Ave., New York City.

JACKERSON, M., or E. JACKERSON, 3609 Chestnut Ave., Newport News, Va.

KARP, B. L., 61 Market St., Newark, N. J.

LENOWITZ, MAX, formerly doing business as New York Store at East Radford, Pulaski and Christiansburg, Va.

MART, F. H., recently in business on Gratiot Ave., Detroit, Mich.

MATHSON, ADOLPH, one time conducted a store at Cavalier, N. D., said to have moved from there to Dickinson, N. D., and recently reported to be located at Seattle, Wash.

MID-WESTERN SPECIALTY CO., Chicago, Ill.

PARISH, BARNEY, proprietor of Barney's Garage, Big Timber, Mon.

PAYENNE, W. A., proprietor of Gates Service Station, Casper, Wyo.

PINKERMAN, H. J., 1615 Court Place, Denver, Colo.

POLLACK, HOWARD E., formerly of 669 Wooster Ave., Akron, Ohio. Believed to be somewhere in California, driving a truck.

RAMEY, J. M., formerly at Breckenridge, Texas, then moved to San Antonio, and from there to Mexia, Texas.

REID, WILLIAM I., proprietor of the Auto Service Sanitary Station at 4930 Broadway, Chicago, Ill.

ROBERTSHAW J., formerly of Jacksonville, Fla., believed to have returned to Kansas City, where he was formerly in the automobile business.

SALVINI, MIKE, recently doing business at 333 Poplar Ave., Memphis, Tenn.

SCHWARTZ & WETLIN, 926 Walnut St., Philadelphia, Pa.

SCOTT, H. R., plumber, formerly of 9706 Otsego Ave., Detroit, Mich.

SMALLEY, HARRY A. CO., formerly of Streator, Ill.

STEIN, SAM, Montello, Wis. Believed to have gone to Milwaukee.

SWITZER, G. A., formerly in business at Waitesville, W. Va.

TRANOTTI, ANTHONY, 321 Farnsworth Ave., Bordentown, N. J.

TURVEY, GEO. F., formerly of 232 South Loomis St., Chicago, Ill.

TYPEWRITER & OFFICE EQUIPMENT CO., 125 Campbell Ave., West Roanoke, Va.

WARE, L. R., formerly proprietor of Wakendo Garage, Wakenda, Mo., now reported living in Kansas City.

WARSAW, WM. E., recently conducting business under the name of Fair & Carnival Supply Co., at 630 South St., Philadelphia, Pa.

WARSHAW, C., 237 East 59th St., New York City.

WOODRUFF, H. D., formerly of Mt. Airy, N. C.

WYATT, J. D., formerly in business at Gray, N. C.

YOUNG, WM. A., previously in the bakery business at Mexia, Texas.

ZWERNER, JOSEPH, 1225 Boston Road, New York City.

Information Wanted

MILLER, M., formerly doing business under names of United Distributing Co., Atlanta Distributing Co., Ever-tight Rubber Co., Mercantile Supply Co., Hollist Patch Co., Consolidated Grocery Co., and Chomsky Grocery Co., Atlanta, Ga.

NATIONAL STEEL SPECIALTY CO., operated by Alfred Mayer, Buffalo, N. Y.

(Continued from page 9)

The period through which we are now passing requires the greatest care and caution on the part of credit men. At the same time there must be no weak kneed policy, no undue fear.

This is the time for—revised financial statements, closer investigations, personal trips to the trade, if practical, so that an intimate knowledge of concerns with which business is being done and the people in charge, may be obtained; untiring prosecution of fraudulent debtors; greater co-operation and interchange of information than ever among credit men, not alone for the protection of credit departments, but also for information that will enable one to assist the salesmen in increasing business.

Greater opportunities are offered, now, than ever before, for credit men to show the real worth that is in them and their great importance to the future success of the institutions with which they are connected.



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4p 1369 Broadway, New York City

Teaching the Young to Prevent Fires

THE Fire Department of New York City and the New York Board of Fire Underwriters are co-operating in an educational campaign on fire prevention. The loss of life and property in New York City caused by preventable fires has reached such proportions that the youth of the city are being turned to for assistance in checking the tide of destruction.

A large proportion of fires occur in apartments, tenements and other dwellings. They are due mainly to carelessness and ignorance. The natural way to reach the difficulty seems to be through education of the young along fire prevention lines. Two hundred gold and silver medals are being offered for the best essays on fire prevention written by high and intermediate school pupils.

In the preparation of these essays there will be necessary much study as a result of which there will be implanted in the minds of hundreds of girls and boys in the city a better understanding of our fire losses and their causes. It is a good example to be followed in other cities.

The Boll Weevil Unbeaten

THE conquest of the little boll weevil, which has finally accomplished its march from the Mexican border to the Atlantic Coast of Georgia is a baffling problem that is being studied by men deeply interested in the progress of the South and in the culture of the cotton plant.

Scientists connected with the Government and with large private interests have been studying the life history and habits of the boll weevil since it crossed the Rio Grande in 1892. Although no device or method has been found by the United States Department of Agriculture to exterminate the weevil entirely, it seems to have been demonstrated that the application of a mixture of

calcium and arsenic will keep the insect in check long enough to allow the cotton plant to develop a full set of bolls.

In order to get action, certain interests operating largely in the South, are working in conjunction with the Southern Cotton Oil Co. and the Virginia-Carolina Chemical Co. to carry on cotton farm demonstrations. These demonstrations will be made on 300 farms under scientific directions regarding the preparation of the land, fertilization, planting, cultivating, and the application of the mixture. Each step will be in accord with the tested experience of the Department of Agriculture. There will be supervision by a representative of the companies to direct the demonstration locally.

It will be a benefit to the South, and to the world at large if this tiny but destructive weevil can be conquered and no longer upset men's calculations as to the annual production of the most important fiber used by mankind for his infinite purposes.

Filing and Index Cards

(Continued from page 19)

THE following concerns have prepared interesting literature covering the visibility characteristic of index systems. They will be pleased to mail you this literature upon mention of the CREDIT MONTHLY:

Acme Card System Co., 6 N. Michigan Ave., Chicago, Ill.

The Rand Co., N. Tonawanda, N. Y.

American Kardex Co., Tonawanda, N. Y.

The Index Visible Co., New Haven, Conn.

Shaw-Walker Co., Muskegon, Mich.

Literature on filing and index cards may be had from the following manufacturers upon mention of the CREDIT MONTHLY:

Boston Index Card Co., 111 Purchase St., Boston, Mass.

Elsinore Paper Co., Inc., 150 Wooster St., New York City.

The General Fireproofing Co., Youngstown, O.

The Globe Wernicke Co., Norwood, O.

Library Bureau, Cambridge, Mass.

The Macey Co., Grand Rapids, Mich.

Oxford Filing Supply Co., 378 Jefferson St., Brooklyn, N. Y.

Shaw-Walker Co., Muskegon, Mich.

The Weis Mfg. Co., 158 Union St., Monroe, Mich.

Yawman & Erbe Mfg. Co., 451 St. Paul St., Rochester, N. Y.

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Page 2 of Property Statement
approved by Natl. Assn. of Credit Men

The greatest proof that credit men believe Insurance is essential to credit is found on the forms and blanks officially approved by their National Association.

Students of Economics and business conditions—go one step further—they show that adequate Insurance in sound companies is a tremendous factor for good in the life of the nation.

The Union Assurance Society, Ltd., and associated companies are insuring property all over the world and strengthening credit everywhere.



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THE CREDIT MONTHLY

Fair Business If You Don't Weaken

By Vice-Pres. E. P. Tuttle

Atlas Shoe Co., Boston, Mass.

WHAT about business conditions in New England? They are graphically set forth and definitely described in a characteristic letter written by one of my sales force who is a "top-notch," for his sales are greater than those of any other man on our force. An indomitable will and grit is his. He doesn't know what the word "pessimist" means; it is not in his dictionary. Yet he writes,

"Conditions in my territory are decidedly bad. In the Pawtucket Valley, where the B. B. & R. Knight Mills are located, soup kitchens are feeding 6,000 persons daily. Those who accept strike benefits are receiving an order for \$5 worth of groceries weekly, but do not receive any cash at all.

"In the Blackstone Valley district things are but little better, and strike benefits in the shape of groceries are being distributed. One of the biggest Providence manufacturers is employing at the present time about 2,000 operatives: in normal times he employs 7,000 to 8,000. Nearly all the machine shops are running half time or less in Rhode Island.

"In New Bedford the mills in the south end, mostly yarn mills, are virtually closed. In other parts of New Bedford and Fall River things are a little better.

"The jewelry factories in Rhode Island are decidedly dull and Providence is one of the big centers of the world's jewelry trade.

"Outside of the foregoing, everything down here is fine—good air, good fishing, good roads, and fair business if you don't weaken."

Referred to Dun and
Bradstreet's

By Jaques L. Myers

Michael, Stern & Co., Rochester, N. Y.

THE thought occurs to me that the reports of the mercantile agencies could be materially improved if provisions were made to include the amount of annual sales and the percentage of expense. It would take very little additional effort to procure this information and it would enable the subscriber to analyze the report very much more intelligently than at present.



National Publicity for the Association

THE SATURDAY EVENING POST of May 13 presents an article that will hold great interest for every man that has to do with credits. Written by the well known business author, Edward H. Smith, it is under the title "The Credit Trimmers" and is based largely upon the experiences of the Investigation and Prosecution Department of the National Association of Credit Men under the direction of C. D. West ("Zephon"). The article is not only most readable but in it are gathered together skillfully the various methods of fraud that are most commonly practised.

This article is summarized elsewhere in this issue of the Credit Monthly.

In the Literary Digest of May 13, an article, "Four Months of 'Recuperation,'" quotes a statement of the Secretary of the National Association of Credit Men and an article by Dr. John Whyte in the Credit Monthly.

The combined circulation of these two weekly magazines is more than 3,600,000.

Not only the important newspapers and trade papers of the country, but the magazines of large circulation and wide influence maintain a cordial attitude towards the National Association of Credit Men.

THE EDITOR.



"In the beginning"

opens the history of all things—as Wells opens his outline of the history of a world.

In the beginning of our country's history as an independent nation, there were only the first untried principles of political freedom—and the will to found a great nation.

At the same time the Insurance Company of North America made its beginning—with a sound policy of operation and the will to build a great service organization of enduring strength and increasing usefulness.

Today it is a standard of strength among insurance companies and, with the Indemnity Insurance Company of North America, it writes practically every form of insurance except life. Thus it justifies the ideals of its beginning.

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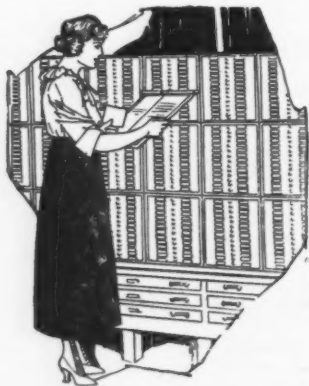
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Giving Accurate Credit Information Instantly

Every Credit man knows the importance of having accurate information quickly. Delays displease customers and multiply risks.



The card shown is one of many kinds of Credit Record Cards furnished with Rand Equipment. It makes no difference what your particular credit problem may be, put it up to us to offer a solution satisfactory to you.



Many firms prefer to keep their Credit Records under lock and key. For such our Traco Cabinets offer a simple and effective answer. In addition, they are speedy to handle while also affording easy means of making entries.

Up in Minneapolis, The Dayton Company installed a sixteen unit Rand Tube Equipment, as illustrated above. The result is instant information on any one of their forty thousand or more credit accounts.

Even during the busiest moments credit authorization is quickly and accurately given on any account. That is a distinctive characteristic of

RAND

Visible Credit Records

All need for guesswork is eliminated by dependable information quickly given,—the very facts you want at the instant needed.

Whether your need is for name, address, and Credit limit only, or for more complete data there is a Rand Equipment to meet the exact requirement. And in all cases you can be sure of speedy operation with all risks reduced to a minimum.

Give us an opportunity to show what Rand Equipment can do for your credit records. Simply sign your name on margin of this advertisement, note the number of accounts to be handled, then clip off and mail. We'll know what you want, and you will get the desired information promptly.

Rand Company, Inc.

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Originators and World's Largest Manufacturers
of Visible Index Equipment.

This shows how a card fits into our SOS pocket, also illustrates how colored signals may be used to indicate special information.

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FORMER PRESIDENT, COLORADO BANKERS ASSOCIATION
FORMER TREASURER, AMERICAN BANKERS ASSOCIATION

The Certified Balance Sheet submitted by the commercial borrower is greatly strengthened when based upon a complete audit of the year's transactions. Restricted audits or limits imposed upon the public accountant restrict and limit the value of the statement for borrowing purposes.

The members of the Reserve City Bankers Association are on record as endorsing the complete audit as the form of audit to recommend to commercial borrowers.

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Credit Interchange Bureaus

CENTRAL CREDIT INTERCHANGE
BUREAU OF THE NATIONAL ASSO-
CIATION OF CREDIT MEN: E. B.
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CONTENTS OF THE CREDIT MONTHLY

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MESSAGE FROM PRESIDENT OF THE U. S.	Warren G. Harding	9
EDITORIALS	The Editor	5
MARKED REVIVAL IN 12 BASIC TRADES	John Whyte	7
AMERICA'S INTEREST IN EUROPE	Russell C. Leffingwell	10
THE CLUTTER OF UN-ECONOMIC LAWS	Albert J. Beveridge	12
NO BOOM IN SIGHT	Benjamin M. Anderson, Jr.	14
THE DRIFT OF THINGS	William A. Quayle	16
PORTRAIT OF NEW 1ST VICE-PRESIDENT	Edward E. Tuttle	18
PORTRAIT OF NEW 2ND VICE-PRESIDENT	Charles W. Dupuis	19
THE CREDIT EDITOR	H. P. Reader	20
THE CREDESCOPE	J. H. Tregoe	22
DELEGATE JOE AT INDIANAPOLIS	Joseph K. Drake	24
WHO'S WHO IN THE WORLD OF CREDIT		27
COUNTRYWIDE ACTIVITIES OF CREDIT MEN		29
FOAM FROM THE THREE C'S	B. B. T.	35
SLOW COURT PROCEDURE		36
DIRECTORY OF OFFICERS OF LOCAL ASSOCIATIONS		41
ADJUSTMENT BUREAUS		43
CREDIT INTERCHANGE BUREAUS		3

Unattached Association Bureaus

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White, Mgr.

6 Necessary Insurance Coverages

EVERY daily paper, from New York to San Francisco, suggests the necessity for Inland Marine and Transportation insurance. These New York Times news items are good examples:

1. **TRANSIT INSURANCE**—Moving days are here: A 5,000 shipment of household furniture including piano, has just been sent from Bayonne, N. J., to Pacific Coast.
2. **SALESMAN'S SAMPLES**—Help Wanted. Cloak salesmen to travel Wisconsin, Minnesota and Dakotas.
3. **HORSE AND WAGON**—Gasoline burning in busy New York street ignites wagon load of lumber and causes complete loss.
4. **TOURIST BAGGAGE**—Weekly sailings started to Europe of such liners as Majestic, Olympic and Mauretania.
5. **THEATRICAL WARDROBE**—"Sally" Company on the road; now showing in Boston—Chicago, next stop.
6. **MOTOR TRUCK SHIPMENTS**—An average of 21 automobile bodies per trip being transferred by truck and trailer from Muncie, Ind., to Springfield, Ohio.

IT will be a wise precaution to check the lines you are interested in and send this advertisement today to our Inland Marine Managers for further particulars, mentioning your agent or broker.

The CONTINENTAL Insurance Company

Eighty Maiden Lane, New York, N. Y.

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Chairman of the Board



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With The Editor

A Dangerous Way to Amend the Constitution

A REPUBLIC could not long endure if criticism were suppressed. Even if man were quite unselfish instead of being ruled as he is in large measure by selfish motives, still criticism would be necessary because of the comparatively narrow sphere of experience and observation in which each man travels. It is through criticism and man's sensibility to criticism directed by others of dissimilar experience and observation that men and institutions are kept from tyrannizing.

Critics, however, have a great responsibility, especially if their criticism is turned against the fundamentals of society. If their purpose is destructive instead of constructive they are always dangerous elements. Furthermore there are times and seasons inappropriate for even honest criticism, times when that which is intended and ought to be constructive and helpful criticism is out of place and highly dangerous.

The Constitution of the United States has been declared to embody the greatest plan of government ever conceived by men. Because the framers of the Constitution did their work so well, guided, as many of us believe, by divine wisdom, the Republic still endures. If their work had been less wisely performed, the story of our national life would have been quite different, and probably would have long since been closed. Admirable as their work was, the framers of the Constitution did not feel that perfection in the scheme of government had been attained, and therefore provided for methods of changing it and adopting amendments to the substantive law of the land.

In no respect is their wisdom better indicated than in prescribing the process of amending the Constitution. They were men of wide experience and knowledge of history; they knew the dangers of revolutionary doctrine; they knew what havoc could be wrought by sudden mob impulse; they knew that moderation was encouraged by delays. They knew that the substantive law must not be exposed to change or modification except through a period long enough to give the changing moods of men a chance to operate.

How fortunate this is, in the light

of any such proposals as those of Senator Robert M. LaFollette before the American Federation of Labor. These proposals are tantamount to a cancellation of the Constitution; for he would remove all authoritative tribunal from its interpretation and place upon the legislative department, which is constantly subject to change and to political considerations, a power to override the Constitution.

Referring to judges of the Federal Courts as "petty tyrants and arrogant despots" he suggests these changes:

(1) That no inferior Federal Judge shall set aside a law of Congress on the ground that it is unconstitutional.

(2) That if the Supreme Court assumed to decide any law of Congress unconstitutional, or, by interpretation, undertakes to assert a public policy at variance with the statutory declarations of Congress, which alone under our system is authorized to determine the public policies of Government, Congress may, by repassing the law, nullify the action of the court.

We have here proposals to remove those checks in government which the framers of the Constitution and students of history have recognized as essential to keeping the government steadily on its course and not subject to passing whims of noisy minorities.

We have a proposal to amend the Constitution through a strictly political body, the Congress, instead of through the slow moving process of years during which it is possible to determine whether the proposed changes are sound.

Every credit man knows what the sanctity of the courts and their freedom from political influence mean to sound business. They know that the courts are not above criticism, that no human institution is; but, they recognize that we would have everywhere confusion and paralysis were it not for the interpretative and defensive power given to the Federal courts by the Constitution and the fact that these courts set forth with authority the point where state rights end and Federal rights and duties begin.

Our safety demands that the courts be maintained as interpreters of the Constitution, and that the Constitution have that protection against sudden changes which is assured in the present provisions for amending it.

Banner Year for New Members

THE National Association of Credit Men has lost none of the vitality and enthusiasm of youth. That was made clear in the report offered at Indianapolis by the Membership Committee.

The year gave the Association the largest number of new members it ever put upon the books within a like period. And had it not been for losses suffered by reason of changes, consolidations and retirements, we would have presented the striking phenomenon of an increased enrollment for a year when nearly all business associations showed a marked falling off.

It is to be remembered that a concern which applied for membership last year was more certain that the Association had something for it than were many of the concerns which joined when there was the flush of prosperity and easy money everywhere.

Unquestionably, the association year went out leaving a better foundation to continue the Association structure upon than we had in the year before.

Composition Settlements

NO subject of immediate interest to credit men received at the Annual Convention at Indianapolis so much attention as the abuse that has taken possession of the composition method of settlement.

It was pointed out that what was intended to serve as an economic method of handling the affairs of honest but embarrassed debtors and provide a way for them to escape the stigma of the regular bankruptcy process, has, through the carelessness and credulity of credit men, come under suspicion. This suspicion can be removed only as credit men resolve that the composition method shall no longer be employed except as conditions absolutely warrant, which can be determined only by a thorough-going investigation of the applicant for relief and the circumstances which led up to the failure.

The appeal here is to the credit man individually to stand out, even if he has to stand alone, against the acceptance of composition offers on statements, the veracity of which has never been properly checked.

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4 cylinder engine Overall capacity 22,000 lbs.
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126" wheelbase, Unladen chassis 7200 lbs., \$3950

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4 cylinder engine Overall capacity 14,000 lbs.
138" wheelbase, Unladen chassis 5350 lbs., \$3075
114" wheelbase, Unladen chassis 5200 lbs., \$2950

1 1/2-ton Autocar

2 cylinder engine Overall capacity 11,000 lbs.
120" wheelbase, Unladen chassis 3700 lbs., \$2050
97" wheelbase, Unladen chassis 3600 lbs., \$1990

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direct factory branch service

A motor truck is only as
good as the service behind it

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